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Letter dated 26 October 2001 from the Chairman of the Security Council Committee established pursuant to resolution 1343 (2001) concerning Liberia addressed to the President of the Security Council

On behalf of the Security Council Committee established pursuant to resolution 1343 (2001) concerning Liberia, and in accordance with paragraph 19 of section B of resolution 1343 (2001), I have the honour to submit, as agreed upon at the 7th meeting of the Committee, held on 25 October 2001, the report of the Panel of Experts (see annex).

In this connection, the Committee would appreciate it if this letter, together with its annex, were to be brought to the attention of the members of the Security Council and issued as a document of the Council.

(*Signed*) Kishore **Mahbubani**
Chairman
Security Council Committee established pursuant
to resolution 1343 (2001) concerning Liberia

Annex

Letter dated 17 October 2001 from the Chairman of the Panel of Experts on Liberia addressed to the Chairman of the Security Council Committee established pursuant to resolution 1343 (2001) concerning Liberia

On behalf of the members of the Panel of Experts on Liberia, I have the honour to enclose the report of the Panel, in accordance with paragraph 19 of Security Council resolution 1343 (2001).

(*Signed*) Martin Chungong **Ayafor**
Chairman
Panel of Experts on Liberia

(*Signed*) Atabou **Bodian**

(*Signed*) Johan **Peleman**

(*Signed*) Harjit Singh **Sandhu**

(*Signed*) Alex **Vines**

Enclosure

Report of the Panel of Experts pursuant to Security Council resolution 1343 (2001), paragraph 19, concerning Liberia

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Abbreviations

AFCAC	African Civil Aviation Commission
AFL	Armed Forces of Liberia
AFRC	Armed Forces Revolutionary Council (Sierra Leone)
ANA	Agence de la Navigation Aerienne (Guinee)
APIRG	Africa and Indian Ocean Planning and Implementation Regional Group
ASECNA	Agency for the Safety of Air Navigation in Africa and Madagascar
ATU	Anti-Terrorist Unit (Liberia)
CDF	Civil Defence Force
CMRRD	Commission for Management of Strategic Mineral Resources (Sierra Leone)
CSSP	Commonwealth Community Safety and Security Project for Sierra Leone
DDR	Disarmament, Demobilization and Rehabilitation Programme (Sierra Leone)
DRC	Democratic Republic of the Congo
Dwt	Dead weight tonne
ECOMOG	ECOWAS Monitoring Group
ECOWAS	Economic Community of West African States
FIC	Flight Information Centre
FIR	Flight Information Region
FOB	Freight on Board
GODIMWUL	Gold and Diamond Miners and Workers Union (Liberia)
GTZ	Deutsche Gesellschaft für Technische Zusammenarbeit
IATA	International Air Transport Association
ICAO	International Civil Aviation Organization
IDP	Internally Displaced Person
IMO	International Maritime Organization
INCB	International Narcotics Control Board
IWETS	International Weapons and Explosives Tracking System
LISCR	Liberian International Shipping and Corporate Registry
LURD	Liberians United for Reconciliation and Democracy
MROS	Money Laundering Reporting Office (Switzerland)

MSF	Medecins Sans Frontieres
NCDDR	National Centre for Disarmament, Demobilization and Rehabilitation
NPFL	National Patriotic Front of Liberia
OTC	Oriental Timber Company (Liberia)
RPG	Rocket Propelled Grenade
RTC	Royal Timber Corporation (Liberia)
RUF	Revolutionary United Front (Sierra Leone)
SITA	Société internationale de télécommunications aéronautiques
SLA	Sierra Leone Army
ULIMO	United Liberation Movement for Democracy in Liberia
UNAMSIL	United Nations Mission in Sierra Leone
UNIC	United Nations Information Centre
UNOL	United Nations Office for Liberia
WFP	World Food Programme

Executive summary

1. In mid-April when the Panel embarked upon its mandate there were active hostilities in the three Mano River Union countries (Guinea, Sierra Leone and Liberia). Six months on, there are significant signs of improvement in the region. Welcome regional diplomatic efforts are under way to further improve bilateral relations between the three members of the Mano River Union although there is still active conflict in Lofa County in Liberia and the possibility of Sierra Leone gravitating back into the conflict if RUF does not want to release its hold on some of the best diamond areas.

2. There has been a proliferation of the use of non-state actors in these conflicts in the Mano River Union. These groups obtain weapons from state supporters, from their trade in diamonds, alluvial gold, cocoa and coffee or from their military action. Their actions have had and can again destabilize the region. The junction of the borders of Liberia, Guinea and Sierra Leone has been the fault zone where these groups have thrived.

3. The Revolutionary United Front's (RUF) relationship with Liberia was described in detail in the Panel of Experts report on Sierra Leone (S/2000/1195). In 2001 this relationship has continued, although a split is reported among RUF units that are willing to disarm in Sierra Leone and others that continue to fight in the war that has shifted to the Liberian and Guinean borders. Throughout 2001, RUF units have been fighting with Liberian units in Lofa County.

Transportation and weapons

Lifting of the sanctions on Liberian registered aircraft

4. Irregularities with respect to Liberian registered aircraft were directly related to violations of the arms embargo. This is why the Security Council decided to ground all Liberian registered aircraft until a new and proper registration process, in compliance with international civil aviation regulations, would be put in place. The Panel has closely monitored the progress made in this field and has worked consistently with the new Director of Civil Aviation in Liberia in order to find a way out of the disorderly situation the registry was in. Bits and pieces of documentation on the ownership of many aircraft were gradually found in Liberia and through communication with other civil aviation authorities. By the time the Panel last visited Liberia in the first week of October 2001, 117 planes had been identified on the basis of this information.

5. The problem of Liberian registered aircraft is not yet fully solved because some aircraft may still be operating abroad with an EL-prefix painted on the tail, despite the revocation by Liberia. But this is a matter that is beyond the control of the Liberian Civil Aviation Authority and should be dealt with on the level of the airports where these planes are seen and can be grounded.

Recommendation on Liberian registry

6. The Panel considers that the measures taken so far by the Liberian Civil Aviation Authority are adequate and that the Security Council may consider lifting the grounding order imposed by resolution 1343 (2001) and allow Liberia to reopen an aircraft register in coordination with International Civil Aviation Organization

(ICAO). Those individual aircraft that were effectively grounded and have provided ICAO and the Security Council Committee on Liberia with the documentation showing their registration in Liberia was done in accordance with international regulations, should be given permission to restart their operations.

7. The Liberian Civil Aviation Authority should keep the Security Council Committee on Liberia and the ICAO informed on the follow-up of the investigation and on the registration of every new aircraft on the new Liberian register.

Role of transportation in arms trafficking

8. In most of the arms trafficking cases the Panel investigated, the transport factor seemed once again a crucial element and in all of these cases the planes that were used, had in one way or another been subject to document fraud, forgery of flight plans and irregularities with respect to the registration of aircraft. The Panel found evidence of fraudulent registrations, not only in Liberia, but also in the Central African Republic and to a certain extent in Equatorial Guinea too. The registrations of the aircraft from Centrafrican Airlines in the Central African Republic are of particular importance because these planes were used for arms transportation in violation of the sanctions on Liberia.

Recommendations on illegal aircraft registrations

9. In view of the aircraft registration fraud committed in the Central African Republic, the Panel recommends that the Civil Aviation Authorities there:

- Transmit to Interpol the Court documents about Centrafrican Airlines;
- Publish these Court documents on the Government's web site;
- Coordinate urgently with Equatorial Guinea and the United Arab Emirates over the use by Centrafrican Airlines of forged documents.

10. To other States, the Panel recommends that the Central African Republic, Equatorial Guinea and other African States affected by this type of fraud coordinate with the African Civil Aviation Commission to put the issue of false registrations as an agenda item for its future meetings.

11. During its investigations the Panel found illegally registered aircraft an endemic problem. The Panel travelled to Montreal to discuss the problem with ICAO's Air Navigation Bureau Director. He informed the Panel that countries with an illegal registration problem could cancel or ground aircraft, and that ICAO advised in such circumstances new registration. The Panel felt that ICAO's response was inadequate to deal with this growing problem.

12. To ICAO, the Panel recommends that:

- ICAO proactively educates its members on the dangers of illegal registrations;
- ICAO's member States computerize their registration lists and centralize them on the ICAO web site so that users could check the situation and status of each aircraft;
- ICAO's Safety Oversight programme should place greater emphasis on aircraft registration.

13. To the United Nations Security Council, the Panel recommends that all the aircraft owned, operated or insured by San Air, Centrafrican Airlines and West Africa Air Services should be grounded immediately. The grounding order could then be lifted gradually for each individual aircraft, provided all the records (ownership of the plane, operator, operating licence, insurance, airworthiness certificate, certificate of registration and the location of the aircraft) are inspected by both the Civil Aviation Authority in the country of registration and in the country where the aircraft has its maintenance base.

14. The companies concerned should inform the Council, through the Security Council Committee on Liberia, on the exact status and location of each aircraft. A list of those planes is found in annex 3 to the report.

Weapons

15. The Liberian Government's public commitments to comply with the embargo notwithstanding, a steady flow of new weapons continues to enter into the country. The Panel documents in this report five detailed case studies on sanctions violations.

16. Case study one describes how thousands of machine-guns found their way to Liberia in November 2000. The weapons were supposed to be sent back from Uganda to Slovakia but the Egyptian arms broker sold them to a company in Guinea that turned out to be a front for a Liberian smuggling network. The End-User Certificate for Guinea was forged and the plane used for the transport of the guns was chartered by Centrafrican Airlines.

17. In case study two it is shown how Liberia set up a ghost airline West Africa Air Services to transport several arms cargoes. A first flight in July 2000 shipped spare parts for military helicopters from Kyrgyzstan to Liberia. A forged End-User Certificate for a company in Guinea was again used to buy the military equipment. Directly after that the plane shuttled between Monrovia and Abidjan (Côte d'Ivoire) to bring over 100 tons of ammunition to Liberia. This deal was organized and financed by Leonid Minin and a partner in Russia, Valery Cherny of the company Aviatrend. Minin was later found in possession of forged duplicates of an End-User Certificate that had been signed by General Robert Gueï, the former head of State of Côte d'Ivoire.

18. In a third case study the Panel describes Liberia's recent quest to obtain additional military helicopters. The Panel was informed that a military helicopter had been seized in the Slovak Republic in February 2001. The Slovak authorities wanted to ship the helicopter back to Kyrgyzstan after repairs had been done.

19. However, in Kyrgyzstan the authorities were not aware of any repair contract for helicopters in the Slovak Republic. According to the broker Kyrgyzstan had dealt with, the helicopters were to go to Guinea. According to the contract signed in Slovakia they were supposed to go back to Kyrgyzstan. Again a false End-User Certificate for Guinea showed up in this case. Had the helicopter not been stopped by customs, it would have gone to Liberia. A second consignment of helicopters was, right after the debacle in Slovakia, seized in Moldova. There two military helicopters were about to be exported to Guinea for repairs.

20. However, Guinea has no repair plant for helicopters and the companies, brokers and transport agents involved in this case were those that were involved in the previous case of sanctions-busting to Liberia. The contract with the Guinean

brokering company Pecos was finally cancelled after the intervention of the authorities in Moldova and after a visit of the Panel to that country.

21. In another case study false End-User Certificates used by the company Pecos in Guinea is analysed. The individuals involved were operating in Central and Eastern Europe but had set up an off-the-shelf company, Pecos, in Guinea. End-User Certificates for this company were found in Kyrgyzstan, in Moldova, the Slovak Republic and Uganda. In all the cases, arms were bought for Liberia and the Panel verified that Guinea had never ordered any weapons through Pecos. Pecos was a follow-up to another company Joy Slovakia that had stopped operating after several law enforcement agencies had started investigating possible arms trafficking and money-laundering cases. The Panel found that the scheme set up with End-User certificates fabricated by the individuals involved with these companies, had been used to supply weapons to Liberia for years.

22. Finally, an analysis is made of the aviation network involved in these arms supplies to Liberia. The evidence on the involvement of Serguei Denissenko, Alexander Islamov, Pavel Popov and Sanjivan Ruprah is overwhelming. All these individuals are directly connected to Victor Bout and the operations of his aircraft. The Panel has investigated the corporate relationships between the companies San Air, Centrafrican Airlines, MoldTransavia and West Africa Air Services, all related to this network of arms dealers. In the course of the investigation different forms of fraud were found, including fraud with the registration of aircraft and with flight plans. The main company behind many of the arms shipments was San Air, in the United Arab Emirates. San Air is an agent for Centrafrican Airlines, the main company of Victor Bout, and the owner of many of the arms trafficking planes involved. San Air's bank accounts were used for many payments for arms deliveries to Liberia and the money trail is described in the section on government expenditures.

23. The Panel also documents in this report, how the Singapore-based mother company of the Oriental Timber Company, a company with significant timber operations in Liberia, arranged a US$ 500,000 payment for an arms shipment in August 1999; how the Bureau of Maritime Affairs in Liberia assisted violations of the arms embargo and paid directly to Victor Bout's San Air bank accounts and how Sanjivan Ruprah, a diamond dealer and partner of Victor Bout had taken residence in Liberia, at the end of the arms pipeline.

Recommendations on weapons

24. The Panel recommends that:

- The arms embargo on Liberia be extended;
- All United Nations Member States abstain from supplying weapons to the Mano River Union countries;
- An arms embargo be imposed on the armed non-state actors in the three Mano River Union countries (namely the LURD and Ulimo-factions, the RUF and the Guinean armed dissident groups).

25. The Panel also recommends that, for reasons of transparency and confidence-building, the ECOWAS moratorium on small arms should be broadened to an information exchange mechanism for all weapons types procured by the ECOWAS

member States. The existing Programme for Coordination and Assistance for Security and Development (PCASED) could be further developed to improve the information exchange on current holdings and future arms procurement of West African States. The Panel recommends that this information exchange would be binding and that both supplier States and the receiving countries would be obliged to report each individual arms transaction to the newly established mechanism and include data on all the parties to the arms transactions, including the names and companies of the brokers and the transport agents.

Recommendation on End-User Certificates

26. The Panel recommends that each Member State that has ever procured or supplied arms on the basis of an End-User Certificate mentioning the companies Pecos, Joy Slovakia and/or Morse or the individuals Peter Jusko, Alexander Islamov, Jacob Berger, Andreï Izdebski or Serguei Schwabenland, conduct a thorough investigation on the actual delivery and end-use of the arms. The Panel recommends that the member States involved in any such transactions inform the other State party to these transactions and inform the Security Council Committees on Sierra Leone and Liberia on the findings of their investigation.

27. The Panel urgently recommends the establishment of a United Nations working group to develop the modalities for a standardized End-User Certificate that would include the name, address and telephone number of the signing authority for the Certificate, and name, address, telephone number and arms trading licence of the broker(s) involved.

Liberian Government use of revenue

28. The Panel examined the sources and management of government funds in an effort to establish the financing for sanctions-busting. The principal source of revenue for these activities between 1999 and 2001 was off-budget spending that was not part of regular government expenditures.

29. These expenditures occurred outside the budget process through the allocation of revenue at the source rather than through the central bank. According to IMF “certain timber concessions, government parastatals, and revenue collection agencies undertook expenditure on behalf of government, that was later recorded as “non-cash” revenue with an offsetting outlay on goods and services”. This appears to be how sanctions-busting, namely for procurement of weapons and ammunition, was financed as this report will demonstrate below.

Recommendations on Liberian Government expenditure

30. The Panel recommends that the practice of allocating revenues at source for priority expenditure should be eliminated. All revenues should be consolidated in a central government account at the Central Bank of Liberia before being allocated to authorized agencies for approved expenditures.

Logging and wood processing

31. Between January and June 2001 round log production produced 679,253 cubic metres (valued at US$ 46.2 million). These figures are a likely underestimate of real exports by 50 to 200 per cent because of tax evasion by companies and widespread corruption.

32. Logging has long been one of the prime sources of government revenue. Logging is still today a mainstay of export earnings for the Government. President Taylor has also taken a personal interest in the allocation of timber concessions. In January 2000 a new National Forestry Law declared that all forest resources are the property of the Government except for communal and privately owned forest resources that have been developed through artificial regeneration.

33. New concessions require final approval by the President of the Republic. During the 1999-2000 season, many authorized concessionaires continued logging but without assurances that they would be allowed to retain their concessions. This uncertainty encouraged rapid cutting and profiteering, without concern for sustainable forestry practices in order to maximize profits in anticipation of losing concessions.

34. Several Spanish and French enterprises lost their concessions to the United Logging Company, managed by Fawaz and President Taylor's son as chairman. President Taylor has also revoked concessions of the VH Timber Companies giving them to the United Logging Company and to the Mohammed Group. President Taylor is seeking to have the timber industry dominated by a few mega-concessions like the Oriental Timber Company.

35. A number of the timber companies complained to the Panel that making a profit currently in Liberia is difficult, except for the mega-concessions that are engaged in non-selective felling and processing massive volumes of round logs. Limited wood-processing capacity, log jams in France at saw mills because of large volumes of round logs and the difficulty in attracting new investors to Liberia were all blamed for these difficulties. They complain of excessive taxation and difficult operating conditions, making it impossible even to fell and sell timber up to their Forestry Development Agency 4 per cent quota. Presidential favour is an important ingredient in cutting operational costs. A number of logging firms obtained tax waivers for fuel purchases as a result of their close connections to the President.

36. According to FDA rules, 25 per cent of the volume of logs felled should be sawn in the country. This rule is not respected because of the volume of round logs exported by the Oriental Timber Company to China and because of the limited number of saw mills in Liberia.

37. Prior to the 1989-1996 war there were 18 saw mills, three veneering and plywood factories, six dry kilns and three wood-processing factories and domestic timber production surpassed log exports in timber volume. Today there are only 12 operational saw mills and these do not have the capacity to process the volume of logs felled.

38. The World Trade Organization (WTO) currently advises all countries to ban unprocessed log exportation beyond the end of 2000. Liberia urgently needs to phase out this trade and invest in wood-processing facilities. This would enhance the value of timber exported from Liberia, slow felling down and provide additional

employment. It would also make production and exporting easier to monitor. The Taylor government has announced a gradual prohibition on the export of round logs as a policy guideline since 1998, but no legislation on the issue has been enacted yet.

39. Some of the timber companies are directly involved in violations of the sanctions against Liberia. One prominent example of this was Exotic Tropical and Timber Enterprises (ETTE). The Panel has received a certain document, which indicates that a payment for a weapons delivery was made directly from the Singapore accounts of the company Borneo Jaya Pte Ltd, a mother company of OTC.

Recommendations on logging and wood processing

40. Timber production is an important source of revenue for the Government and a source of employment in Liberia. It is also a source of revenue for sanctions-busting. The Panel found it difficult to obtain real figures on the current volume of timber production and how much revenue is generated. Without a sound assessment of the timber-generated revenue base, the Panel could not assess how much revenue could have been used from this industry for assisting sanctions-busting. Therefore the Panel recommends that:

- The Government should reach agreement with the International Monetary Fund over the commissioning of an independent detailed report on revenue from the timber concessions for the January 2001-July 2002 period, including exemptions and tax offsets for government-related expenditures during this period;
- That the United Nations should impose a ban on all round log exports from Liberia from July 2002 and strongly encourage local operators to diversify into wood processing before that date.

Diamonds

41. The Panel examined Liberia's diamond industry because it is another crucial source of natural resource revenue for the Government. Liberia's own official diamond exports were said to be only 8,500 carats in 1999, valued at US$ 900,000. Liberia's Minister of Lands, Mines and Energy estimates that this represents only 10 to 15 per cent of what is actually leaving the country.

42. Sanctions were imposed on the export of Liberian rough diamonds following the conclusions of the December 2000 report (S/2000/1195). This report illustrated how diamonds far in excess of the quality or quantity available in Liberia had been imported in provenance and origin. The larger illicit trade provided Liberia with a convenient cover for the export of conflict diamonds from Sierra Leone although many of the so-called "Liberian" production emanated from other sources (most notably Russia), and was falsely declared "Liberian" for tax purposes.

43. With the entry into force of Security Council resolution 1343 (2001) the Government of Liberia indicated that it would comply with the ban. The imposition of an embargo on the export of Liberian rough, coupled with progress in the peace process in Sierra Leone, has resulted in a marked decline of diamonds labelled as "Liberian" reaching international markets. There have been no imports from Liberia recorded in Antwerp since the imposition of the sanctions.

44. The embargo has created a different problem. Since it is impossible to sell Liberian rough officially, dealers and brokers are seeking to camouflage their Liberian diamonds as those from neighbouring countries markets. The Panel itself verified ongoing smuggling of Liberian rough to Sierra Leone and Côte d'Ivoire.

45. The Panel also observed a steep increase in trade of diamonds mined by the RUF through Freetown. Many of these stones passed through Makeni from the Kono fields but lesser numbers reached dealers in Kenama and Bo before entering the official system. Approximately half of Sierra Leone's total production comes from the Kono/Koidu district. Following the imposition of a diamond embargo on Liberia, the closure of the border till September 2001 and the war in Lofa County, little diamond trade now passes through to Liberia from Sierra Leone. This shift in trade pattern is reflected also in the dramatic decline in so-called "Liberian" rough entering markets like Antwerp and a steep decline in the number of diamonds passing through Monrovia. The pressures on other revenue sources in Liberia for Executive Mansion extrabudgetary expenditure demonstrates once again the importance that diamonds had played over the last few years for President Taylor. Because of the loosening of President Taylor's grip on the Kono/Koidu diamond trade, the RUF axis has switched to increasing trade through Sierra Leone.

Recommendations on diamonds

46. The experiences of Sierra Leone, Guinea, Liberia and Côte d'Ivoire discussed below show how difficult it actually is to separate out conflict diamonds from other alluvials. Better monitoring, increasing the cost of getting caught and the requirement to state the source of a stone (origin) rather than just the provenance could help this process. But as with the case of Sierra Leone, without steady progress in the internal peace process it is difficult to see how the distinction between government and RUF diamonds can be maintained effectively.

47. The diamond embargo on Liberia has contributed to the dramatic decline in the misuse of the Liberian label for diamond smuggling. The embargo has, however, reversed the problem in effect with encouraging an increase in the smuggling of Liberian rough out of the country and into neighbouring certification systems. If these certification schemes are to be credible, this situation needs to be dealt with urgently. Better policing of dealers can help, but ensuring that Liberia has its own credible certification scheme will ensure that less Liberian rough are deliberately mixed with rough of neighbouring countries.

48. The annual artisanal production of Liberia is low, approximately US$ 1.5 million per year in total production. Any dramatic increase in exports could act as an early warning system for the Liberian label being once more used to launder non-Liberian diamonds. The Panel encourages the Liberian Government to put in place a credible and transparent certification scheme which is independently audited by an internationally recognized audit company. This scheme should be independently assessed as credible and effective in order to facilitate the consideration of a temporary suspension of the diamond ban by the Security Council. This would also alleviate the genuine hardship that artisanal miners, brokers and dealers are currently experiencing.

Other measures

49. Regular and accurate publication of official annual rough diamond import/export statistics is crucial. Currently only Belgium publishes a detailed list. A better international library of each diamond type, from each region and detailed records of run-of-mine alluvial samples in conflict zones would also be an important step forward in this region. It is also important that countries issue their own Certificates of Origin that are consistent with a fully integrated certification system. But in the end, the only guaranteed way to resolve the conflict diamond issue is to create conditions in a country that result in the label "conflict" being made redundant. Under such conditions, the principal challenge of the alluvial diamond trade in West Africa would be to curtail endemic smuggling for tax evasion purposes. Sierra Leone's attempt to redistribute diamond revenues back into the community is part of a solution.

The maritime and corporate registry

50. With 1,734 vessels registered under its flag, Liberia is the second largest maritime fleet in the world. The register has traditionally had a high proportion of tanker tonnage. In January 2001, Liberia accounted in tonnage for 35 per cent of all the world's oil tankers. The register is generally regarded as one of the quality open registries (called by some, flag of convenience). The registry also provides some 25 per cent of government revenue. In 2000, the Liberian registry and corporate fee programme generated some US$ 25.72 million officially which netted according to the Bureau of Maritime Affairs some US$ 18 million for the Government.

51. LISCR, the registry agent has ring-fenced the revenue it generates from the maritime and corporate registries. Their accounts are audited annually by Arthur Andersen LLP, an auditing firm of international repute, and these were open to inspection by the Panel. The collection of registry revenues and government taxes and fees, and any subsequent distribution of funds due to the Government, is accomplished in accordance with the agreement between LISCR and the Liberian Government.

52. Collections are initially deposited into one of several registry bank accounts, dependent upon the nature of the collection, and as specified in an agreement between LISCR and the Liberian Government. This is routine procedure. However, the Panel obtained bank transfer details for two LISCR transfers to San Air General Trading at Standard Chartered Bank, Sharjah, the United Arab Emirates, for US$ 525,000 on 21 June 2000 and US$ 400,000 on 7 July 2000. These two payments were for arms and transportation in violation of the sanctions. The sanctions-busting activities of San Air General Trading are documented in the Arms and Transportation Section below.

53. LISCR admitted to the Panel that it had made four payments to non-government accounts in 2000. The disbursements were made following four separate written requests instructing LISCR, from the Commissioner of Maritime Affairs. LISCR became increasingly uncomfortable at the growing regularity of requests for divergence from standard procedure in late 2000. Following a new request for disbursement on 17 August 2000, LISCR informed the Commissioner of Maritime Affairs that it would no longer honour such requests.

54. Having found resistance from LISCR, Liberia's Bureau of Maritime Affairs changed strategy, and directed four payments from their part of the maritime revenue directly to San Air via arms dealer Sanjivan Ruprah.

55. The Commissioner of Maritime Affairs and his Maritime Affairs Bureau are little more than a cash extraction operation and cover from which to fund and organize opaque off-budget expenditures including for sanctions-busting. For as long as there is an arms embargo on Liberia the funds from the registry will need to be protected from Bureau misuse.

Recommendations on the Liberian corporate and maritime registry

56. The Liberian corporate and maritime registries provide an important source of revenue to a poor country. The maritime registry is of international repute but it is vulnerable because of the use of the funds it generates for opaque off-budget expenditure including for sanctions-busting.

57. The Panel recognizes that the open registry business is very competitive, that any sanction on the registry would see client flight, and that these clients would be unlikely to return. The Panel would not wish to see an exodus to other open registries of ship owners currently with LISCR.

58. LISCR should not have made those four payments to non-government accounts in 2000. The payments were contrary to their agreement with the Liberian Government and showed a complete lack of due diligence. LISCR seems to have learned from its mistake and took action to stop this practice. In 2001 there has been no further pressure of this type from Monrovia and no evidence of further payments to non-governmental accounts.

59. The Panel recommends that:

- An escrow account should be set up by the Security Council Committee as the ultimate destination for all revenues generated from the shipping and corporate registry. The Panel believes that the Government of Liberia and IMF should reach an agreement to audit this account in order to determine all revenues generated by the shipping and corporate registry and to determine the use of the revenue in this account;
- The funds in this account should be designated for development purposes.

The travel ban

60. The travel ban has generally worked successfully. The Panel actively sought to monitor compliance with the travel ban. It verified 27 violations of the travel ban, the majority through Abidjan.

Recommendations on the travel ban

61. The travel ban has been the source of the greatest number of complaints received by the Panel. Individuals on the list requested to know on what grounds their names had been placed on the list and how to appeal. In each case the Panel referred them to the Security Council Committee as the appropriate body responsible for drawing up the list.

62. The Panel encourages the Security Council Committee to reply to individual requests about the ban promptly and expeditiously. The Panel also recommends that the Committee set up a Liberia travel ban web page where the Committee's criteria on how names have been put on the list is described. The web page should also provide information on how to apply for travel exemptions and have a section on who currently has an exemption to travel. This web site should be publicized as a resource for immigration and law enforcement agencies to keep track of who is on the travel ban list, and who has exemptions.

63. The Security Council Sanctions Branch in consultation with the Committee should also compile a photographic database of key individuals on the ban list to counter attempts by a number of individuals on the list to travel under a different name. These photographs could be put on the web site.

64. The Panel does not believe that the list should be set in stone. For humanitarian reasons a few names should be dropped; the Committee should also consider new names too.

To the Côte d'Ivoire Government

65. A loophole at Abidjan airport needs urgent attention. The Council should strongly encourage the Ivorian authorities to adopt a less passive attitude towards the implementation of the travel ban. A verifiable system should be set up at Abidjan airport to check that arriving passengers from Monrovia are not on the list or if they are, they have obtained a United Nations travel exemption.

Recommendations for the continued monitoring of Security Council resolution 1343 (2001)

66. The United Nations Secretariat should appoint a Liberian officer within the Sanctions Department of the Department of Political Affairs. This person should conduct ongoing monitoring of compliance of resolution 1343 (2001) from New York, develop databases of violation reports and write request letters and make telephone enquiries about such reports. This person should also act as an in-house researcher for the Security Council Committee, able to assist in monitoring compliance of the travel ban and requests for travel exemptions. A motivated United Nations Secretariat staff member, with administrative support from the assistants to the Committee, could fill this requirement efficiently and cost-effectively. The Angolan Monitoring Mechanism already has attached to it a political officer who has efficiently conducted a number of these tasks. Individual consultants could be hired for a short period of time to investigate a specific case of violation of the sanctions whenever the need arises, in order to keep pressure on Liberia.

67. There should be an ongoing assessment of Liberia's compliance to resolution 1343 (2001) on the ground, too. A way to achieve this in a targeted and cost-effective manner is to renew the mandate for this Panel of Experts for two short periods in 2002 for missions to visit West Africa with the Liberian officer appointed by the Secretariat. These missions should be:

- An assessment mission by the Panel to Liberia and neighbouring States for a period of four weeks starting in April 2002 to investigate and compile a short report on compliance. This report, an independent audit of compliance with recommendations, would then be submitted through the Committee to the Council for consideration in May 2002;

- A second six-week mission to Liberia in September 2002 resulting in a final submission to the Committee in November 2002. This report would also be an independent assessment of total progress of the sanctions regime and the Government of Liberia's compliance over the year.

68. The advantages of this system are that it will over 2002 strengthen internal United Nations capacity to monitor Liberia and other States' compliance of resolution 1343 (2001). It also uses the expertise of the Panel in a targeted and cost-effective manner and ensures that the momentum created by the Panel's work in 2001 is not lost.

Introduction

A. General

69. Pursuant to paragraph 19 of Security Council resolution 1343 (2001) concerning Liberia, adopted on 7 March 2001, the Secretary-General appointed a Panel of Experts on 29 March 2001 (S/2001/268), with the mandate to:

- Investigate violations of the new tightened arms embargo, the ban on export of Liberian diamonds and the travel ban on senior officials of the Liberian Government;
- Collect information on the compliance by the Government of Liberia with the demands to expel all members of the Revolutionary United Front (RUF) from Liberia, cease all financial and military support to RUF, cease all direct or indirect import of Sierra Leone rough diamonds, freeze funds or financial resources or assets controlled by RUF in Liberia and ground all Liberian-registered aircraft;
- Further investigate possible links between the exploitation of natural resources and other forms of economic activity in Liberia, and the fuelling of the conflict in Sierra Leone and neighbouring countries, in particular those areas highlighted by the report of the Panel of Experts established pursuant to resolution 1306 (2000);
- Collect information linked to the illegal activities of the individuals referred to in the report of Panel of Experts established pursuant to resolution 1306 (2000) concerning the situation in Sierra Leone;
- Collect information concerning any other alleged violations of resolution 1343 (2001).

70. The Panel took note of the report of the Panel of Experts established pursuant to resolution 1306 (2000) concerning the situation in Sierra Leone (S/2000/1195) of 19 December 2000 and the responses received from countries and individuals mentioned in the report. The corrective actions taken by such countries have been duly noted by the Panel.

71. The Panel recognized that the demands made to the Government of Liberia under paragraph 2 of resolution 1343 (2001) to immediately cease its support for

RUF in Sierra Leone and for other armed rebel groups in the region were intended to further the peace process in Sierra Leone.

72. The Panel took particular note of paragraph 4 of this resolution, which demands that all States in the region take action to prevent armed individuals and groups from using their territory to prepare and commit attacks on neighbouring countries and refrain from any action that might contribute to further destabilization of the situation on the borders between Guinea, Liberia and Sierra Leone.

73. On 22 March 2001, the Permanent Representative of Liberia to the United Nations transmitted the text of a letter addressed to the Secretary-General from Charles Ghankay Taylor, President of Liberia. This letter delineated the measures the Government of Liberia has taken in compliance with the resolution (S/2001/264). The Panel remained cognizant of the contents of the letter and all such subsequent correspondence from the Government of Liberia, made available to it by the Security Council Committee on Liberia and the Task Force of the Government of Liberia.

74. The Panel of Experts[1] consisted of Mr. Martin Chungong Ayafor, (Cameroon — Chairman), Mr. Atabou Bodian (Senegal — Expert from the International Civil Aviation Organization), Mr. Johan Peleman (Belgium — Arms and Transportation Expert), Mr. Harjit S. Sandhu (India — Expert from Interpol), and Mr. Alex Vines (United Kingdom — Diamond Expert) (S/2001/268, annex 1).

75. The Panel had its first organizational meeting at United Nations Headquarters in New York from 16 to 27 April 2001, and it was agreed with the Security Council Committee on Liberia that the Panel's report would be submitted on 15 October 2001. It was subsequently submitted on 17 October 2001.

76. The Panel committed itself to holding regular consultations with Panels of Experts/Monitoring Mechanisms and other Security Council Committees working on similar issues. The Panel also kept the Security Council Committee on Liberia informed of the progress of its work, as and when necessary, as per paragraph 4 of Security Council resolution 1343 (2001).

77. The Panel received a great deal of logistical and moral support from the Security Council Committee on Liberia, the United Nations Secretariat, the United Nations Resident Coordinators and UNDP officials in almost every country it visited. Many Governments helped with detailed information and advice, and many individuals provided helpful information.

B. A reminder to the background of the mandate

78. The Panel's mandate is described in section A above. The Panel was reminded of the background to its mandate, however, during its field visits in Sierra Leone, Liberia and Guinea. In Sierra Leone, thousands of civilians, many of them women and children, victims of unspeakable brutality, face a future without hands or feet. The Amputees Camp in Freetown is a cruel testimony to the havoc created by the forces that supplied arms to rebels. In addition to the amputees who have been condemned to a life without hands or feet, tens of thousands of Sierra Leoneans, Guineans and Liberians have lost their lives, half a million have become refugees

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[1] The Panel was assisted on the Timber Section of the report by Mr. Didier Boudineau (France).

and three or four times that number has been displaced in the subregion. The Panel visited the Amputees Camp in Freetown, refugee and internally displaced persons (IDP) camps in all the three bordering countries of Liberia, Guinea and Sierra Leone.

79. As the Panel concluded its report, the situation on the borders between Sierra Leone, Liberia and Guinea remained volatile and the best diamond-producing areas in Sierra Leone still remained in rebel hands. In several border areas of Liberia, Guinea and Sierra Leone, people lived without access to medical assistance, education or the means to a secure livelihood. The Panel remained cognizant, throughout its work, of its role and its responsibility in helping to end the suffering of the people of the subregion.

Methodology of investigation

80. **Questionnaires**: The Panel requested specific information from the relevant countries, through their Permanent Missions to the United Nations, regarding certain arms shipments and the movement of suspicious aircraft used for illegal transportation of arms and ammunition. The Panel also requested statistics dating back to 1987 on diamond exports from major producing countries, and imports to countries with significant trading, cutting and polishing industries. The reason for going back to 1987 was to determine what trends might have prevailed before the wars in Sierra Leone and Liberia. In September 2001, the Panel sent reminder letters to all Governments, through their Permanent Missions to the United Nations, which had not yet provided the requested statistics. The Panel would like to record special appreciation for Cyprus, Italy, Kazakhstan, Kyrgyzstan, Moldova, Slovak Republic, United Arab Emirates and Uganda for their detailed replies and additional information that proved very useful for investigation.

81. **Interviews**: In each country, Panel members interviewed government authorities, and where relevant, diplomatic missions, civil society organizations, aid agencies, private sector firms and journalists. The Panel also contacted a number of key individuals whose names have been a subject of interest and controversy in recent months in connection with the crisis in the subregion (annex 2). Given the sensitive nature of the subjects investigated by the Panel, however, it should be noted that many individuals spoke under conditions of confidentiality. Several meetings held in various countries have therefore not been listed.

82. **Visits to countries**: The Panel travelled extensively to countries involved, or believed to be involved, in the trafficking of weapons and related materiel to Liberia in violation of Security Council embargoes and to countries involved in the diamond trade. The entire Panel visited Liberia twice, and some Panel members visited three times. The entire Panel also visited Belgium, Côte d'Ivoire, Czech Republic, the Gambia, Guinea, Moldova, Russian Federation, Sierra Leone, Slovak Republic, Turkey, Ukraine and the United Arab Emirates. Travel was undertaken by one or several of the Panel members to Austria, Burkina Faso, Cameroon, Canada, Cape Verde, Central African Republic, Equatorial Guinea, Ghana, France, Italy, Kazakhstan, Kenya, Kyrgyzstan, Mali, Niger, Norway, Senegal, Spain, Switzerland, Uganda, the United Kingdom, Washington, D.C. (USA).

83. **Field trips**: There had been a lot of mystique attached to several places in the subregion of Liberia, Guinea, Sierra Leone and Côte d'Ivoire. The Panel decided to visit all such areas. In Liberia, the entire Panel visited Gbatala training centre for

anti-terrorist unit (ATU) and the Buchanan Port where most of the activities of Oriental Timber Company (OTC) are concentrated. Three members of the Panel visited Lofa and Bong Counties. In Sierra Leone, two members of the Panel visited Bo, Kenema, Koidu, Yengema, Moyamba, Bauya, Waterloo and Daru. In Guinea, two members went all the way by road from Conakry to Kissidougou to Guéckédou to Macenta to Kuankan and Kola, to Nzérékoré and onwards to Côte d'Ivoire. In Côte d'Ivoire, two members visited Man, Biankouma, Guiglo, Danane, Nicla and Guessessou.

84. During these field visits, the Panel spoke to various factions involved in the conflict in the subregion. The prominent ones being RUF, CDF, Liberians United for Reconciliation and Democracy (LURD) and Armed Forces of Liberia (AFL). The Panel also interviewed a large number of IDPs spread over all the four countries of the subregion. The Panel witnessed the disarmament, demobilization and rehabilitation (DDR) programme in Sierra Leone, spoke to combatants and picked up certain leads on the origin of arms and ammunition.

85. **Assistance from international and regional organizations**: The Panel received useful cooperation and assistance from several international organizations such as Interpol, ICAO, IMO, etc. and made proper use of their expertise.

86. **Police and judicial records**: The Panel was able to access police and judicial records of several under-investigation and under-trial cases linked to trafficking of arms and ammunition in the West African subregion. The Panel scrutinized interrogation statements of several former RUF cadres and the documents recovered from the premises of suspects.

Standards of verification

87. The Panel agreed at the outset of its work to use high evidentiary standards in its investigations. This required at least two credible and independent sources of information to substantiate a finding. Wherever possible, the Panel also agreed to put allegations to those concerned in order to allow them the right of reply. However, certain individuals whose role is highlighted in the report did not make themselves available to the Panel despite serious attempts by the Panel to give them a chance to explain their conduct.

88. During the investigation, where possible, the Panel shared the relevant information and cooperated with the States concerned for further thorough investigation at their level. Where appropriate, the Panel also brought the information collected during the course of investigation to the attention of authorities to allow them the right of reply as stated in paragraph 20 of Security Council resolution 1343 (2001). A significant number of countries came forward with useful information on individuals behind certain shady companies and their financial transactions.

89. In the past, allegations against various parties to the conflict in the subregion have always been denied with the question, "Where is the evidence?". An example of this is the standard response to charges that weapons have been channelled to RUF through Liberia and that President Taylor continues to support RUF. In the report that follows, we have dealt in great detail with this particular allegation and several cases of arms shipments having reached Liberia in violation of Security Council arms embargoes.

90. **Following the paper trail and the chain of events**: To satisfy the oft-repeated rhetoric "Where is the evidence?", "If you have evidence, show it", the Panel has traced the entire sequence of events starting from the origin of weapons to the end-destination using documentary evidence and direct eyewitness accounts of the persons involved. The Panel has in its possession the following documents concerning the planes involved in illegal arms supply to Liberia:

- Copies of contracts signed by the contracting parties;
- Requests and permissions for overflight and landing;
- Flight plans;
- Cargo manifests;
- Airway bills;
- Documents showing owners or operating agency of the aircraft involved;
- Pilots logbooks;
- Payments made;
- Insurance documents for the cargo and the planes involved.

91. Analysing these documents, the Panel traced the entire flight route taken by the aircraft bringing weapons to Liberia. In addition to this, the Panel spoke to pilots and the other crew members who were on board the aircraft in question. Practically in all listed cases, the aircraft involved were physically located by the Panel and their photographs were taken. Some of the arms traffickers involved tried to hide but the Panel succeeded in locating them and confronting them with the details. In one such case, the Panel visited a prison and interviewed the suspect in the jail premises, after obtaining permission from the concerned judicial authorities.

92. In addition to its own detailed verification, the Panel also received corroborating information from international law enforcement agencies. The assistance of Interpol specialists was also taken as and when required. In all the cases delineated in the report that follows, the Panel did not rely solely on oral testimonies. Corroborative documentary and circumstantial evidence was always insisted on. The evidence, therefore, is incontrovertible and irrefutable.

Part I
Liberia and the region

Regional security in the Mano River Union

93. In mid-April when the Panel embarked upon its mandate, there were active hostilities in the three Mano River Union countries (Guinea, Sierra Leone and Liberia). By mid-May according to United Nations figures, there were 2.3 million internally displaced people in Guinea along with 110,000 Sierra Leonean refugees and 81,000 Liberian refugees. In Sierra Leone, there were 400,000 internally displaced people and 6,000 Liberian refugees, and in Liberia there were 60,000 internally displaced people. There were also 120,000 Liberian refugees in Côte d'Ivoire and 2,000 Sierra Leonean refugees.

94. Six months on, there are significant signs of improvement in the region. Welcome regional diplomatic efforts are under way to further improve bilateral relations between the three members of the Mano River Union, although there is still active conflict in Lofa County in Liberia and there is the risk of Sierra Leone gravitating back into the conflict if RUF does not want to release its hold on some of the best diamond-producing areas.

Sierra Leone

95. At the time the Panel first visited Sierra Leone in April 2001, fighting was under way in the Kambia area and the regionalization of the conflict was very visible. Guinea was engaged in military operations against RUF, with the tacit agreement of the Government of Sierra Leone. Persistent force was used by Guinea in action aimed at punishing RUF for its raids into Guinea from September 2000. Guinean troops entered deep in Sierra Leone in Northern Kambia District and created a "sanitized zone" on the north bank of the Great Scaries River to prevent further RUF activity.

96. The Government-sponsored militia Civil Defence Force also attacked RUF positions in the east of Sierra Leone during that month but eventually a ceasefire was restored. Guinea also stopped its raids against RUF in Kambia by May although there was Guinean shelling and helicopter raids against several RUF targets in July.

97. On 2 May, the major parties to the conflict reaffirmed their commitment to the peace process in Abuja. There followed talks in Freetown and on 18 May 2001, both sides entered the DDR programme in large-scale numbers. Since early July the security situation in Sierra Leone has remained stable, closely monitored by UNAMSIL.

98. In early September 2001, Sierra Leonean President Ahmed Kabbah and RUF leader Issa Sessay met in Koidu and shook hands, declaring the war over. The peace process, however, remains fragile in the run-up to multiparty elections in 2002 but outright hostilities appear to have ceased for the time being.

Liberia

99. Following Security Council resolution 1343 (2001) and the entry into force of sanctions on Liberia on 7 May 2001, President Taylor and his government increasingly signalled a desire to restore avenues of dialogue with their neighbours in the Mano River Union. The war in Lofa County continued to be a primary concern for the government and humanitarian agencies.

100. The first incident of armed conflict was in Voinjama on 21 April 1999. Rebels with semi-automatic rifles, a few mortars and shotguns attacked the town. They were a rag-tag group, some uniformed and some smoking marijuana. While looting the town, they claimed they were tired of the Sierra Leone war and wanted to overthrow the government of Charles Taylor. After the brief rebel attack the Liberian security forces entered Voinjama and also looted.

101. There was a further wave of insurgent attacks in Lofa County between July and October 2000, succeeding in widening their front to attacking the Douley region of Nimba County by late November 2000. The Liberian Government blamed Guinea and filed a formal diplomatic complaint to the then Organization of African Unity, ECOWAS, and the Guinean Government.

102. In mid-January 2001, the Government deployed more troops along the north-eastern border with Guinea. This move followed shortly after the defence heads of Mali, Niger, Nigeria and Senegal met in Abuja, Nigeria to discuss the deployment of a force of 1,700 troops along Liberia's borders with Guinea and Sierra Leone. But the deployment of the ECOWAS force at the border confluence of Sierra Leone, Guinea, and Liberia in the Mano River region did not occur for two reasons: firstly, ECOWAS waited for a strong mandate from the United Nations for its contingents and, secondly, Status-of-Forces Agreements with Guinea and Liberia were never agreed upon.

103. Liberia's relations with Guinea deteriorated further in 2001, with the Government accusing the Guinean military of shelling the town of Foya in January and claiming two of its diplomats had been arrested and tortured in Conakry in September 2000. In February 2001, the rebels crossed again from Guinea and attacked villages in Lofa. The Government claimed that the villages of Boiwamei, Masizu and Turaszued, were razed to the ground during two days of fighting.

104. In April 2001, the Liberian Minister of Defence, Daniel Chea announced heavy fighting between government forces and rebels in upper Lofa county near the border with Guinea. The brunt of the fighting was near the towns of Foya and Kolahun. However, he denied claims by the Liberians United for Reconciliation and Democracy (LURD), that they had seized control of large parts of Lofa County and the Government began mobilizing and retraining former fighters of the now defunct NPFL. By late April fighting had spread south into Salayea district, 80 km north of Gbarnga in Bong County. The battle for control of Zorzor in Lofa County was reported to be intense.

105. Liberia closed its borders with Sierra Leone and Guinea in mid-March and gave the ambassadors of Sierra Leone and Guinea three days to leave the country. The ambassadors were expelled for activities incompatible with their status and their embassies were informed that they needed to vacate their current premises. This Liberian action was at a time of increased regional tension because of the intense fighting in Lofa County and because one of the two diplomats had been well located to witness some sanctions-busting in progress.

106. In late July, continued fighting in Lofa forced a new wave of refugees to flee across the border to Côte d'Ivoire. The Lofa rebellion, part of a subregional dispute, had resulted in Liberia to accuse Guinea and Sierra Leone of harbouring dissidents. With an intensification of the conflict in April 2001, over 4,000 refugees fled to Côte d'Ivoire and Sierra Leone in May and June. The United Nations reported that in a year the conflict has created more than 40,000 refugees.

107. By August, fighting continued between rebels and government troops, especially around the towns of Kolahun and Voinjama. Not all the fighting was by rebels. There were also incidents where different Liberian government armed groups fought each other for loot and control of resources. On 29 August 2001, the Liberian rebels attacked a lumber camp at Gbopolu in the west, showing that they could make attacks beyond upper Lofa County.

108. Between March and October 2001, independent observers were not allowed by the Liberian Government to visit Lofa County. This restriction was lifted in October, and the Panel visited Lofa in the first week of October. The situation there was visibly tense. In the area around Zorzor, the town that was completely destroyed

during an incursion by rebels from Guinea, the Panel observed many soldiers and armed young boys carrying new weapons and driving around in newly acquired Isuzu pick-up trucks. The pattern of destruction of the houses showed that the rebels from Guinea resort to hit-and-run tactics and do not occupy the territory.

Guinea

109. From September 2000, there were rebel incursions into Guinea supported by RUF. Guéckédou (a town with around 30,000 inhabitants) was badly damaged in late January when it was seized by rebels, who Guinean sources claimed belonged to Ulimo-K and RUF. The town was recaptured by the Guinean army in February. Ulimo-K had been a Guinean ally in its campaign against RUF but there had been some sort of dispute about recent Ulimo-K recruits in the Guinean military. There was more fighting along the border and a six-hour artillery battle in mid-March south of Guéckédou with rebels who had originated from Liberia.

110. The reduction in hostilities between RUF and the Sierra Leone Government by May 2001 has resulted in RUF abandoning its support for Guinean rebels, who were seeking to overthrow President Conté and his government. Following the major onslaught by the Guinean military in May, these rebels have realized they cannot fight alone and have become dormant.

Armed non-state actors in the Mano River Union

111. There has been a proliferation of the use of non-state actors in these conflicts in the Mano River Union. These groups obtain weapons from State supporters, from their trade in diamonds, alluvial gold, cocoa and coffee, or from their military action. Their actions have had and can again destabilize the region. The junction of the borders of Liberia, Guinea and Sierra Leone has been the fault zone where these groups have thrived. This Kailahun Salient is a very volatile area with notoriously difficult terrain, a highly permeable border and belligerents in close proximity to each other; it is an area that lends itself to the attacker — not the defender.

RUF and Liberia

112. RUF's relationship with Liberia was described in detail in the Panel of Experts report on Sierra Leone. In 2001 this relationship has continued, although a split is reported among RUF units that are willing to disarm in Sierra Leone and others that continue to fight in the war that has shifted to the Liberian and Guinean borders. Throughout this year RUF units have been fighting with Liberian units in Lofa County. In March, a RUF unit fought at Voinjama.

113. On 1 April 2001, General Sessay arrived in a camp at Vahun for discussions with Liberian commanders about additional RUF military assistance. The Liberian commanders came in a helicopter and Sessay arrived by vehicle and accompanied by General Dennis Mingo (alias Superman). Following the meeting, there was a public address to RUF fighters which was not well received; they grumbled about having to fight in a foreign war.

114. In mid-April, the Liberian Government refused to allow RUF to travel through Liberia to attend an ECOWAS meeting in Bamako, Mali. Liberia claimed it had severed its links with RUF. However, on 18 April the United Nations Security

Council published a list of RUF members residing in Liberia and asking the Government to expel them.

115. The RUF-Liberian relationship is important for President Taylor, but it is also strategic for RUF. The Kailahun region in Sierra Leone constitutes RUF's strategic lifeline into Liberia without which its source of resupply is seriously affected. Liberia offers sanctuary and a location to store weapons and keep armed units active and trained. An area of particular concern is the concession of the Liberian logging company SLC, along the border with Sierra Leone. The area comprises a road into Sierra Leone and an old military base of the Liberian Armed Forces, Camp Alfa. It is, since early 2001, controlled by the son of President Taylor and the Lebanese businessman Abbas Fawaz. Several sources indicated to the Panel that this is an area where weapons for RUF are stockpiled and where RUF can freely enter Liberian territory.

116. In June, President Taylor met with RUF representatives in Folima and offered them additional funding for their further assistance in the Lofa war. According to several RUF officials a number of them said they were tired of combat and were worried that the conflict might spill over into Sierra Leone and undermine the peace process. They also complained that the Guineans were providing better support to the Liberian dissidents than what they received from Taylor. This was followed by a second meeting of Guinean dissidents and RUF at the Executive Mansion in Monrovia. Taylor once more offered funds in return for their services to fight the Liberian dissidents in Lofa.

117. The Panel has interviewed many RUF members about their Liberian connections. Since August, RUF has moved weapons to Liberia via Kailahun, then caching them in the "Kuya area". Before disarmament in Kono district, RUF used to maintain its main ammunition dump in Kono. They have since also moved many of these arms and ammunition to Vahun in Liberia.

118. Eyewitnesses told the Panel of RUF combatants in Kono District and Kabala loading their infantry support weapons to Kailahun to avoid surrendering them for the DDR. The Panel has inspected the weapons handed in for destruction by RUF in Kono. They have been submitting .50 mm (12.7 mm) mortar and artillery bombs for the DDR process but not the guns to fire/launch them.

119. RUF units have on several occasions confronted Liberian government troops that have entered into Sierra Leone. Following fighting in July in Vahun between the Liberian army and dissidents, some AFL soldiers fled into Sierra Leone. RUF detained 17 private AFL soldiers overnight at Senga and then escorted them back to the border the next day.

120. In April, RUF had asked a group of AFL to disarm after they fled into Liberia following an earlier dissident attack on Vahun but the Liberians had refused on that occasion to leave their weapons because they out numbered the RUF unit.

121. The recent killing of General Dennis Mingo (alias Superman) was in all probability because of an internal squabble about the distribution of money from Charles Taylor for RUF's assistance in clearing Lofa County of dissidents. Mingo was murdered just across the Sierra Leonean border in Liberia close to the United Logging Company compound on the road from Vahun to Monrovia. Superman had been on his way to attend a meeting at the Executive Mansion in Monrovia.

122. The RUF structure in Liberia is difficult to determine. The RUF have probably around 600 men, consisting of four companies and a support element in Liberia right now. They are being primarily used as a counter-insurgency force in the bush against the dissident activity in Lofa County. Their main base is Camp Najma, a camp where Liberian RUF are trained. The Commander at the camp is Liberian Special Security Service Kissi Captain Tamaba Malin. Recruitment is mainly from refugee camps where men are offered US$ 300 as an incentive to join.

123. Liberian liaison officers continue to be stationed in Sierra Leone with RUF. Names the Panel heard were Colonel Shenkoleh, Colonel Lion, Colonel Monica, Colonel Base Mingo. The Panel also noted that in Yengema in Sierra Leone a number of Liberian RUF members had successfully entered the DDR process.

Where is "Mosquito"? (Sam Bockarie alias Moskita)

While Foday Sankoh was imprisoned in Nigeria, Sam Bockarie de facto headed the RUF in Sierra Leone. In October 1999, Dennis "Superman" Mingo, smarting over allegations that he had embezzled RUF diamonds from a 1997 diamond sale, fomented contention in the RUF ranks. He wrote to Foday Sankoh from Liberia, warning him that Sam Bockarie could not be trusted and that Sankoh's life was in danger. He also claimed that Bockarie and his men had squandered funds from diamond sales and that Bockarie bought a house in Liberia and France. Shortly thereafter, a military confrontation occurred between forces loyal to Foday Sankoh and those loyal to Sam Bockarie. Several combatants were killed. Sam Bockarie subsequently went into exile in Liberia and has remained close to President Charles Taylor ever since.

In late December 2000, a group of religious and civic groups, including 11 opposition political parties called in public on President Taylor to expel RUF from Liberia, including Sam "Moskita" Bockarie. On 8 January 2001 Bockarie reacted to this call by issuing a press statement in which he offered to return to Sierra Leone at once. He also invited representatives of the Catholic Justice and Peace Commission (CJPM) to monitor his crossing the border into a RUF-held part of Sierra Leone. The CJPM replied that the Government of Liberia should be responsible for Bockarie's departure.

Liberia claimed that it expelled Sam Bockarie from its territory, but could not tell when and from where. The Foreign Minister of Liberia in his letter dated 28 June 2001 to the Chairman of the Security Council Committee established pursuant to resolution 1343 (2001) concerning Liberia, stated that the Government was not under obligation to show documentary evidence on the departure of Sam Bockarie.

The Panel has investigated the whereabouts of Bockarie. Multiple independent eyewitness accounts put Bockarie in Lofa County leading a number of military operations against Liberian dissidents in 2001. He was also seen in the Monrovia area at the Holiday Inn, at the ELWA Junction and at a refugee camp between January and April. In late April, Bockarie was again in Lofa, leading anti-Liberian dissident operations.

Increased international attention on the whereabouts of Sam Bockarie resulted in President Taylor arranging for Bockarie to lay low outside West Africa, reportedly in Zambia in May. In June, Bockarie moved to Ghana and has resided in three different locations in Accra, protected by General Abou, a former deputy commander of the ATU who has returned to Ghana following the change of government.

Bockarie is able to travel freely in Liberia and has, since June, visited Liberia a number of times, spending time at Timber Village, often accompanied by Special Security Commander Ben Yeaten.

Bockarie travelled to Libya in June for a brief trip. He also travelled to Burkina Faso in early September staying at a Presidential Compound at Ziniare (outside the capital). He left Burkina Faso on 26 September on a Chad-registered aircraft for Libya accompanied by General Ibrahim Bah (alias Balde) to try and enlist further support for RUF. He has since returned to Accra.

Through the mediation of President Taylor the differences between General Issa and Bockarie appear to have been settled. Bockarie freely travels to Liberia and has been provided a EX-SLA body guard, Salamy Kaba.

Bockarie has travelled under different names. The Panel was told he has used the name Sam Ben Johnson, Michel Samba and Michel Toure.

Liberians United for Reconciliation and Democracy (LURD)

124. A group of rebels attacked Liberia from Guinea in April 1999. It was difficult to initially establish who these dissidents were, but a number of former members of the ethnic Mandingo wing of ULIMO (called Ulimo-K after its civil war leader Alhaji GV Kromah) seemed to be among them.

125. More attacks occurred in late 1999 and since the beginning of the latest round of incursions in July 2000, attacks on Liberian territory have been claimed by a group called the Liberians United for Reconciliation and Democracy (LURD). The LURD is composed of former fighters from the civil war of 1989 to 1996, many of whom became refugees in Guinea and Côte d'Ivoire after the end of the war.

126. LURD claims to have been formed in 2000 and not to be associated with any former warlord. Its supporters told the Panel that it is a resistance force dedicated to building democracy in Liberia through a political and military campaign.

127. The reality is more complex. LURD has enjoyed its main support from Guinea where it has a foothold in towns like Kissidougou, Macenta and Nzérékoré. Like the Sierra Leone Donzos were used against RUF, LURD was encouraged by Guinea to keep Charles Taylor tied up militarily in Lofa County. Guinea has supported LURD with cross-border artillery fire from time to time in 2001 and Guinean liaison officers have crossed into Lofa County to assess LURD's progress. Guinea has only given limited ammunition and weapons support to the Liberian rebels. One LURD official complained to the Panel that he had had to trade coffee, cocoa and diamonds to a Guinean commander to supply his men with shotgun cartridges (Guinea

produces these in Conakry). Other weapons have been captured in hit-and-run operations in Lofa.

128. The leadership of LURD is opaque. Conakry-based Sekou Kone is a Provisional Chairman of the Executive Committee — his prime role is to liaise with President Conte of Guinea. Self-styled Gen. Joe Wylie is a key military adviser, also based in Conakry. In September there were some changes; Prince Seo was appointed the new Chief of Staff. Seo was a Krahn fighter who fought with Roosevelt Johnson, one of the former warlords in Liberia. He recently joined LURD with some 100 Ulimo-K fighters loyal to him. Seo replaced Charles Dent, a former Ulimo-K chief-of-staff in August. This reshuffle has caused discontent among LURD fighters.

129. There also is a strong rift between the Krahn and Mandingo elements of LURD. The military wing wants Guinea to stop dealing with Sekou Kone, who is a Liberian Mandingo. There appear to be three ULIMO units, a group of some 230 fighters stationed in the forest region along the Guinea/Liberia border. A second group of several thousand in Sierra Leone (many may be Kamajors) and a third group of ex-Lofa Defence Force fighters based in the Lofa currently.

130. The rebels do seek supporters in refugee camps. In April, the Ivorian security forces arrested six suspected Liberian dissidents in Danane, who they said were trying to recruit refugees to join their operations in Guinea. The Panel also interviewed refugees who had declined such advances by dissident supporters. Indeed, a significant number of newly arrived refugees had fled Lofa County because of dissident activity. The rebels attacked villages, looted and sought to forcibly recruit their young men.

131. In October 2001, LURD appears factionalized and Guinean support declining. If the August agreement by the foreign ministers of the Mano River Union to take steps to round up armed groups waging a messy war in the junction of the borders of Liberia, Guinea and Sierra Leone is real, the activities of LURD may have peaked.

Guinean dissident groups

132. From September 2000 there were rebel incursions into Guinea supported by RUF. RUF ex-combatants told the Panel how some of them had been forced to board trucks at gunpoint by their leaders and escorted to Foya to fight in the offensive. Others were paid a US$ 200 retainer and given the understanding that they could freely loot. Guéckédou was badly damaged in late January when it was seized by the rebels.

133. N'Faly Kaba, has called himself the leader of Guinean rebels based in Sierra Leone and Liberia. Kaba is a former adviser to Diarra Traoré (executed by President Conté after a purported coup in 1985). Kaba claimed to head an organization called the "Union des forces pour une Guinée nouvelle" (UGFN), and that they had been behind rebel attacks against Macenta, Ourekaba, Korecariah and Guéckédou since September 2000.

134. UFGN is the third group claiming responsibility for cross-border raids into Guinea. The "Rassemblement de forces démocratiques de Guinée" in December 2000 and the "Union de forces démocratique de Guinée" have also claimed responsibility.

Mano River Union dialogue

135. Following months of hostility between Liberia and Guinea, dialogue began with telephone contact between President Taylor and his Guinean counterpart, President Lansana Conté on peace in the subregion in early June.

136. There had been a number of phone calls between President Taylor and his Sierra Leone counterpart, President Kabbah, too. The release of two Sierra Leonean captives by Liberia and six Liberians by Sierra Leone in early June also helped in the confidence-building process among the three heads of State.

137. The Sierra Leone Foreign Minister visited Monrovia in July for a day on his way to the OAU summit in Zambia. The initial contacts helped prepare the foreign ministers of Guinea, Sierra Leone and Liberia to hold a ground-breaking meeting in Monrovia on 14 and 15 August to discuss a summit between their presidents, aimed at ending the conflict in their border regions. At this meeting they decided to reactivate the Joint Security Committee Established by the 15th Protocol on Defence and Security in May 2000.

138. A meeting of the Joint Security Committee was held in Freetown on 22 and 23 August and on 8 to 10 September in Conakry. At the end of these meetings they agreed to "apprehend and turn over to their country of origin, individuals, armed groups and other para-military forces involved in the destabilization of member States". They also agreed to a series of other recommendations, including on the implementation and deployment of joint border security and confidence-building units along common borders.

139. Following the Joint Security Committee meeting in Conakry the Statutory Meeting of the Foreign Ministers met on 10 September. The Ministers accepted the Joint Security Committee's recommendations and proposed a further Joint Security Committee meeting to be convened in Monrovia from 25 to 28 September to work out and finalize the work plan and timetable for implementation of the recommendations.

140. The Joint Security Committee reconvened in Monrovia between 25 and 28 September to further work on implementation of the recommendations. A review meeting of the Foreign Ministers and Chairmen of the Joint Security Committees of each member State is to be convened in Freetown on 10 December 2001. A Summit of Heads of State of the Mano River Union will follow in early 2002.

Part II
Transportation and weapons

A. Background to the grounding of Liberian registered aircraft

141. The report (S/2000/1195), in its section on arms and transportation, described how irregularities of Liberian registered aircraft contributed to violations of the arms embargo. The Security Council, in resolution 1343 (2001), therefore decided to ground all Liberian-registered aircraft.

142. In the case studies that follow this is again illustrated. In most of the arms trafficking cases the Panel investigated, the planes that were used had in one way or another been subject to document fraud, forgery of flight plans and other

irregularities. The Panel found evidence of fraudulent registration, not only in Liberia, but also in the Central African Republic and to a certain extent in Equatorial Guinea. Liberia, in a response to the Panel on Sierra Leone's request, had produced a registry consisting of 11 aircraft only. The Panel had knowledge of many more aircraft flying the Liberian flag and suspected that some of those had been used for violations of the arms embargo.

143. The problem turned out to be a complex one. Years of civil war and the difficult transitional process had created opportunities for aircraft owners and civil servants to exploit the registry, for instance to avoid costly safety inspections and requirements for old aircraft. This resulted in the Civil Aviation Authorities in Liberia having lost control and oversight of the planes flying on its registry. It also created a situation that enabled arms trafficking networks to camouflage their operations through fake registrations, document fraud and — as the case studies show — the setting up of a mystery airline, with the full knowledge of the Liberian authorities in order to avoid detection. The violations of the arms embargo and the problem with the registry were therefore directly linked.

Civil aviation in Liberia

144. The Liberian civil aviation authorities reacted to the publication of the report (S/2000/1195) by:

- Appointing a new Director of Civil Aviation and revoking, on 12 April 2001, the registration of 11 aircraft on the Liberian registry, which bear the prefix EL- and notifying all Directors of Civil Aviation of ICAO member States of the action;
- Informing the Directors of Civil Aviation of ICAO member States, on 13 April 2001, of this revocation and of the ban on flights by such aircraft and on the closure of the Liberian register;
- Asking the Directors of Civil Aviation, on 18 April 2001, to provide information on any Liberian aircraft grounded pursuant to the grounding order from Liberia.

145. Since the beginning of its mandate, the Panel has closely monitored the progress made in this field and has worked with the new Director of Civil Aviation in Liberia to find a way out of the disorderly situation the registry was in. Bits and pieces of documentation on the ownership of many aircraft were gradually found in Liberia and through communication with other civil aviation authorities. By the time the Panel last visited Liberia in the first week of October 2001, 117 planes had been identified on the basis of this information. These were aircraft that had been registered in Liberia since 1985 but a great number had obtained registration in the last five years (annex 12). The documentation showed that fraud had been committed under different ministers of transport. Sometimes, documents had just been forged or foreign businessmen had been given authorization to register planes in Liberia from offices abroad.

146. Identification and locating these aircraft is still ongoing and the newly appointed Director of Civil Aviation expressed his determination to the Panel to investigate the full extent of the problem of false registrations before proceeding to open a new registration list. The problem of Liberian registered aircraft is not yet fully solved because some aircraft may still be operating abroad with an EL-prefix

painted on the tail, despite the revocation by Liberia. This is beyond the control of the Liberian Civil Aviation Authority and should be dealt with by the airports where these planes are seen and can be grounded.

147. The Panel considers that the measures taken so far by the Liberian Civil Aviation Authority are adequate and that the Security Council may consider lifting the grounding order imposed by resolution 1343 (2001) and allow Liberia to reopen an aircraft register. Those individual aircraft that were effectively grounded and have provided ICAO and the Security Council Committee with the documentation showing their registration in Liberia done in accordance with international regulations, should be given permission to restart their operations. The Liberian Civil Aviation Authority should however keep the Security Council Committee and ICAO informed on the follow-up of the investigation and on the registration of every new aircraft on the new Liberian register.

148. A second measure taken by Liberia was a decision to take over operation of their own airspace, which had been controlled from Conakry (Guinea), where the Flight Information Centre (FIC) of the Flight Information Region (ROBERTS FIR) is located. This airspace will be controlled exclusively by Liberian nationals.

149. In its discussions with the Panel, the Liberian Government argued that increased national security concerns were the reason for this decision. As per Article 1 of the Chicago Convention regulating international civil aviation, every State has complete and exclusive sovereignty over the airspace above its territory, so Liberia has the right to manage flight movements in its own airspace.

150. At a meeting in Dakar, on 26 and 27 March 2001, under the auspices of ICAO, it was agreed that, prior to any takeover of responsibility for Liberian airspace by Monrovia, a number of measures would have to be taken. These measures would include providing a minimum of communications equipment necessary for the safety of air traffic and the signing of letters of agreement among all parties for the coordination and transfer of air traffic.

151. The Panel relied for its investigation on information from different Flight Information Regions in West Africa, to get a good picture of all non-scheduled aircraft that had landed in Liberia in 2000 and 2001. Liberia did not supply such a list. Although information on landings and departures of every aircraft is information that is kept at every airport in the world, the airport authority in Liberia had consistently claimed that such a list was only kept for a short while and then destroyed.

152. Liberia can, in agreement with its partners in the Roberts Flight Information Region and in accordance with ICAO regulations, start to manage its own airspace. The Panel wants to express its concern, however, that Liberia's plans to renationalize its airspace, as opposed to the global trend of ever more integrated and regional airspaces, and to man its control centre with Liberians only, seem to suggest a desire to keep certain flight movements and landings secret. The Panel does not think that the issue should be subject to any sanctions, but would advise the Liberian Government to reconsider its decision as a matter of goodwill.

B. Arming and disarming in the region: an overview

Liberian arms embargo

153. The United Nations Security Council imposed through resolution 788 (17 November 1992) a "general and complete embargo on all deliveries of weapons and military equipment to Liberia", citing the need to establish peace and stability. In March 2001, this embargo was replaced by a renewed and tightened weapons and military equipment embargo as part of a wider package of sanctions mandated by United Nations Security Council resolution 1343 (2001).

154. In 1999, Liberia conducted a weapons destruction programme. The exercise, which began on 25 July, involved the destruction of 19,000 small and heavy-calibre weapons and more than three million rounds of ammunition collected by the United Nations and ECOMOG during the disarmament exercise in 1996-1997. A symbolic arms-burning act took place in Monrovia but the real weapons destruction occurred at an abandoned iron ore mine northwest of the capital. About 40 per cent of these weapons were rusted or unusable but others were in good working order. The weapons and ammunition were of both small and large calibre, including 900 hand and smoke grenades (from China, Britain and the former Czechoslovakia), two 120 mm rockets, rocket launchers, thousands of rocket-propelled grenades (RPGs), recoilless weapons, and machine guns, old M-1 rifles, AK-47 assault rifles, PBK light machine guns and around 12 million rounds of small-calibre and 12,000 rounds of large-calibre ammunition.

155. Despite the Government's public effort to demonstrate its commitment to disarmament, it was consistently procuring new supplies of weapons for itself and assisting RUF to procure weapons via Liberia.

156. Following the first dissident incursions in April and August 1999 in Lofa County, the Government launched a campaign to get the arms embargo lifted, claiming that in the face of external attacks the country was unable to defend its citizens. The then Deputy Information Minister claimed that the rebels could only be crushed if the embargo was lifted, but added that Liberia "could easily bypass the ban, but we don't want to do that".

157. Public commitments to comply with the embargo notwithstanding, a steady flow of new weapons continued to enter into the country. The Panel documents in this report how the Singapore-based mother company of the Oriental Timber Company arranged a US$ 500,000 payment for an arms shipment in August 1999; how the Bureau of Maritime Affairs assisted violations of the arms embargo in 1999 and 2000 and how Leonid Minin provided weapons in July 2000. In 2001 Liberia continues to try and violate the embargo.

158. Yet Liberia, in a letter dated 23 February 2001 from President Taylor to the United Nations Secretary-General, claimed that "As you are aware, Liberia destroyed all her arms and ammunition several years ago and currently remains disarmed. Accordingly, it would seem only fair, in the light of threats from Guinea, that this country be allowed to secure equipment for its legitimate defence needs". A second letter by Liberia in May asked the United Nations Security Council to temporarily lift the arms embargo so it could "import essential military supplies for the sole purpose of its self-defence".

159. Despite nine years of an embargo on arms and military equipment to Liberia, a steady supply of weapons have reached the country. Indeed, the Liberian authorities in their conversations with the Panel appeared not bothered about the embargo, and never complained about it. In contrast, they regularly complained about the United Nations travel ban on key individuals associated with the Government.

Security situation in neighbouring countries

Sierra Leone

160. The Government in Sierra Leone have had Mi-8 and Mi-24 helicopters since 1996 and the procurement of these or of spare parts and engines for these helicopters was always compromised by the involvement of controversial brokers and shadowy procedures. The Republic of Kazakhstan provided the Panel details of its export of two helicopters to Russia. The export licence was given against an end-user certificate for the helicopters, for their end-use in Russia. The helicopters were later detained by Russian customs, on their way to Freetown in Sierra Leone, without a valid export licence. The transaction was organized by Boris Fedoulov, a Russian national who is the owner of the commercial helicopter company Paramount Airlines in Freetown. The Panel interviewed Fedoulov in Moscow, where he confirmed the seizure of the helicopters. Fedoulov showed the Panel documentation on the case and explained that the helicopters had meanwhile been exported for use in Sierra Leone. In Kazakhstan, however, the authorities told the Panel that they believe that a crime has been committed under the Criminal Code of Kazakhstan by the procurer of the helicopters, Boris Fedoulov. In his testimony, Yaïr Klein, who was arrested in Sierra Leone in January 1999 on suspicion of supplying and training the rebels of RUF, admitted the forgery of certain documents in his deal of supplying helicopter engines to the Government of Sierra Leone. The Sierra Leone Government is currently also involved in court disputes with several other suppliers of helicopters and helicopter spare parts. In some cases these had been supplied during the rule of Valentine Strasser. The Panel does not suggest that these arms transactions were violations of the arms embargoes, but wishes to draw international attention to the lack of transparency and inadequate control systems in the procurement procedures for sophisticated weaponry and related materiel to Sierra Leone.

Disarmament in Sierra Leone

161. With the signing of the Abuja agreement on 2 May 2001 and the signing of a new agreement on disarmament, demobilization and reintegration (DDR) between the warring parties in May 2001, cautious optimism is warranted. At the time of writing of this report, around 21,000 ex-combatants had been disarmed (the break-up being RUF — 7,000; CDF — 13,200 and AFRC — 260). It is still unclear what the total number of combatants in Sierra Leone was before the disarmament and demobilization process started. A majority of RUF and CDF are yet to join the DDR programme.

162. The ex-combatants have so far handed in around 8,200 weapons, 500 of which were group weapons such as mortars and heavy machine guns. The rest are various types of assault rifles, submachine guns and machine guns for individual use. The Panel was able to inspect many of the weapons in several of the DDR-weapons stores. Detailed lists are kept with the serial numbers and year of production of the

weapons and the date and location where they were handed over. This data is not sufficient to trace the suppliers of the weapons. A breakdown of the types of weapons handed in shows that approximately 60 per cent of the individual assault rifles are AK-47 and AK-58 Kalashnikov types, 10 per cent are FN-FALs and around 6 per cent are G3s. All these commonly used rifles are produced under licence in many different countries. They are some of the most widely used weapons in the history of conflict.

163. Hardly any of the weapons bear sequenced serial numbers that would suggest its origin from a specific producer or from a particular stockpile. Most of the weapons handed in under DDR are of very poor quality. The harsh weather conditions in West Africa, especially the high humidity and the jungle terrain, the type of warfare the different factions have been engaged in and the complete lack of discipline of the rebels, affect the condition of the weapons adversely. The Panel gave some old listing of weapons handed in to several United Nations Member States to check on possible matches in their database systems. No results have come out of this so far.

164. It is hard to estimate the number of combatants remaining in Sierra Leone. It would be even harder to estimate the number of weapons that are still in the hands of the different warring factions. The poor quality of the weapons handed in and observations in the field suggest that most of the ex-combatants have turned in weapons that were no longer of use to them and that the bulk of functional weaponry has been stockpiled elsewhere. Further success of the peace process in Sierra Leone and specifically the success of the disarmament programme will have a bearing on the availability of weapons in the hands of private groups and individuals in Sierra Leone and the wider subregion, a situation that may undermine the security situation in the countries concerned over a longer period of time.

165. At a subregional level, the ongoing war in Lofa County in Liberia, which is bordering Guinea and Sierra Leone, certainly has negative side-effects on the disarmament situation in Sierra Leone. The demand for weapons and ammunition in Lofa creates a market, both for the individual combatants who can bring their personal weapons and ammunition to the border and sell it and for RUF as a rebel movement. The hardcore RUF-fighters may, in coordination with their former sponsor President Taylor, stockpile weapons on Liberian territory or just hand over their weapons to the Liberian side before they can be disarmed in Sierra Leone. The Panel examined a sizeable number of RUF cadres who joined DDR. According to most of them, the better condition and heavy calibre weapons have been sent to Liberia and not handed in to DDR.

Guinea

166. A good mechanism is in place to deprive non-governmental forces in Sierra Leone of getting arms and ammunition and for monitoring the arms procurement by the Government of Sierra Leone under resolution 1171 of the United Nations Security Council. No such restrictions, however, exist for Guinea. The country is known to have purchased a significant amount of arms and ammunition in the past few years in order to cope with the incursions along its borders with Sierra Leone and Liberia. Such weapons have been supplied from Eastern Europe and from Western countries alike.

167. The Panel witnessed during its visits to the war zone on the Guinean side of the border with Liberia, the presence of great numbers of non-state armed groups in different towns and villages in the provinces bordering Liberia. Those armed men are called "volunteers" by the local administrators but it is clear that towns like Macenta, Guéckédou and Nzérékoré are harbouring hundreds of fighters of the LURD. Guinea has also acquired new heavy artillery transport and combat helicopters. The Panel members during their visit to the border towns saw that two new Mi-24s were based in that region. Guinea also has a small number of fighter aircraft. Two of those were recently displayed in the airspace above the capital.

168. The Guinean authorities told the Panel that many forged Guinean end-user certificates were circulating in Eastern Europe. During the course of its investigation, the Panel obtained several copies of orders and end-user certificates for small arms, missiles, helicopters and cargo aircraft, apparently all with the Guinean armed forces as the end-user. The Panel during its visit to Guinea in August 2001, showed these copies to the acting Chief of Staff of the Guinean armed forces and the officer in charge of procurement; they identified six different end-user certificates for Guinea as forgeries. All these had been used by a network of brokers to obtain weapons for export to Liberia as shown in the case studies covered in this report.

Côte d'Ivoire

169. Côte d'Ivoire is also affected by a volatile internal situation between the contenders of the last elections and the current government. The presence of General Gueï, who was leading a military junta in the country until the elections, has also created unease over the loyalties of some units of the armed forces. This element, and the fact that countries such as Guinea and Sierra Leone have acquired helicopter gunships, has incited the Government of Côte d'Ivoire to engage in negotiations about the procurement of helicopter gunships.

170. During discussion with the authorities in Côte d'Ivoire, the Panel learned that the Defence Ministry had been approached by a broker representing the company Pecos who was involved in some of the violations of the embargo on Liberia. This report describes the fraudulent activities of this company, Pecos Compagnie SA, in the case study on End-User Certificates. The Panel has also described how weapons that were imported legally in Côte d'Ivoire ended up in Liberia in July 2000. The transaction was financed and set up by Leonid Minin. After his arrest in Italy, copies of the End-User Certificate for these weapons, signed by General Gueï, were found in Minin's possession. Minin also had several forged copies of the End-User Certificate for Côte d'Ivoire.

171. As shown in the case study on helicopters, Liberia has tried to match the build-up of weapons systems, despite the arms embargo. The most recent cases in Liberia's persistent hunt for combat helicopters on the international black market are dated February and March of 2001. Thanks to the intervention of the arms export controlling authorities in Moldova and the Slovak Republic, the helicopters were intercepted before departure.

172. The Panel is concerned that the procurement of weapons in the Mano River Union, especially in view of the embargo against Liberia, should be better regulated. The easy availability of small arms and ammunition to volatile areas like the Mano River Union countries is a regional and internal security threat to the three Union

members. The use of unscrupulous arms dealers, even for the legal importation of arms by the non-embargoed neighbouring countries of Liberia itself encourages and provides opportunities for violations of the Liberia embargo.

173. In the case studies that follow, the Panel has painstakingly gone into details, followed various paper trails and put together pieces of the jigsaw puzzle to complete a picture of how Liberia has managed to get a regular supply of arms and ammunition despite an embargo on it since 1992.

C. Case studies

Case study: ER-75929 and the She-guns

174. When the Ugandan military discovered that a consignment of assault rifles did not correspond to the contract specifications, they demanded that the Egyptian arms broker send the delivery back to the manufacturer in the Slovak Republic. In October 2000 the broker agreed that a batch of one thousand of the rejected rifles would be dispatched back to Slovakia.

175. The broker, however, also found a new buyer for the weapons, Pecos company of Guinea. Initially the Ugandan authorities were unaware of this new arrangement. They assumed the broker was going to fly the weapons back to the sender and an Ilyushin-18 arrived in November 2000 in Entebbe, Uganda, to pick up the weapons and bring them back to the Slovak Republic. It flew to Monrovia instead.

176. This Ilyushin-18 arrived in Monrovia on 22 November 2000 carrying the cargo. The plane was registered in Moldova (ER-75929) but operated by the company Centrafrican Airlines of Bangui in the Central African Republic.

177. Three days later the same aircraft arrived back in Uganda to pick up a second consignment of 1,250 submachine guns. By that time the Ugandan authorities knew that the Egyptian broker was dealing with the Guinean company. An inspection of the plane showed that the pilot was trying to get official permission to fly to Guinea, but the routing on his flight plan suggested he intended to fly to Liberia. This resulted in the Ugandan authorities deciding to impound the cargo and contact the arms broker for additional information.

178. The arms broker, Sharif Al-Masri, responded on 26 November 2000 in a letter to the Ugandan authorities. The letter, a copy of which was obtained by the Panel, shows the letterhead of the brokering company Culworth Investments Corporation with an address in Monrovia, Liberia. In it, Mr. Sharif explains that the rejected arms had been sold to Pecos in Guinea and that the client had supplied him with an acceptable end-user certificate. The end-user Mr. Sharif sent to Uganda to corroborate was signed by the Director of Cabinet of the Guinean Ministry of Defence. It is dated 2 July 2000, almost five months previous to the planned delivery of the arms. Being not satisfied with the explanations of the arms broker and considering the risk of these weapons falling into the hands of rebels in West Africa, the Ugandan authorities decided to pay for the impounded weapons and keep them in the country. In early December 2000, the Panel of Experts on Sierra Leone received information from the Ugandan authorities about the incident.

179. At the time of receiving that information, that Panel was in the process of submitting its final report. So no further investigation was possible by that Panel.

This Panel decided to investigate the matter further. In May 2001, the Panel visited the Republic of Moldova. The Ilyushin-18 that had been chartered to deliver the weapons was owned by the company Vichi, a private agent for the Moldovan Ministry of Defence. The Moldovan authorities were not aware of the Uganda incident but organized meetings for the Panel with the Civil Aviation Authority in Chisinau. In close cooperation with the Moldovan officials it was established that a suspicious incident had occurred in November. After receiving permission for a chartered flight to Ras-al-Khaimah in the United Arab Emirates on 4 November 2000 to pick up passengers, the Ilyushin had disappeared for almost three weeks. On 24 November 2000, the plane arrived back in Moldova without passengers from the United Arab Emirates. Computer records inspected by the Panel showed it had come from Liberia, via Uganda, instead.

180. During the discussion with the Ministry of Defence in Moldova, representatives of the company Vichi were summoned for cross-examination by the Panel. The deputy director of the company explained the plane had been chartered by a company MoldTransavia. MoldTransavia's own aircraft, a Tupolev-154 had a technical problem in the United Arab Emirates and had chartered the Ilyushin to pick up some passengers there and fly them back to Moldova. When the Ilyushin arrived in the United Arab Emirates, however, MoldTransavia's plane had been repaired and carried the passengers back.

181. The crew of the Ilyushin, while in the United Arab Emirates, were then contacted by a Russian, Serguei Denissenko, representing the company Centrafrican Airlines. A contract was signed for a cargo flight from the United Arab Emirates to Uganda and from there to Liberia. When the Ilyushin arrived in Uganda, seven tons of sealed boxes were loaded on board and the plane left for Monrovia, Liberia. The representative of Vichi was unable to tell the Panel what was in the sealed boxes. The contract that was signed with Centrafrican Airlines, the charter company of the aircraft, describes the cargo load as "Technical Equipment".

182. After the first delivery had been made in Liberia, the plane returned to Uganda to pick up a second consignment of sealed boxes. After arrival, the crew were taken to a hotel near the airport of Entebbe. There they learned that the charter company had problems and that the cargo could not be cleared. The plane then flew back to Chisinau in Moldova. As per the original contract, the charter firm mentioned on the flight documents was no longer Centrafrican Airlines but the original contractor for the cancelled passenger flight, MoldTransavia.

183. In Moldova the Panel was also able to interview the manager of the company MoldTransavia, Mr. Pavel Popov. Mr. Popov was invited for a meeting with the Panel in the offices of the Moldovan Aviation Administration but turned out to be very unhelpful. Mr. Popov seemed unable to even show the panel documentation on the ownership of his own passenger plane, the Tupolev-154 that was supposed to have had a technical problem in the United Arab Emirates. Mr. Popov only said he leased it from a company in Sharjah in the United Arab Emirates by the name of San Air but refused to reveal the name of the owner of the aircraft. Asked about his background in aviation, Mr. Popov explained that he had only started operating his own aircraft after working for years as an agent for AirCess, a company of Serguei Bout and Victor Bout.

184. After the meeting with Mr. Popov, the Directorate of Civil Aviation supplied the Panel with the documentation on Mr. Popov's plane. It showed the plane was

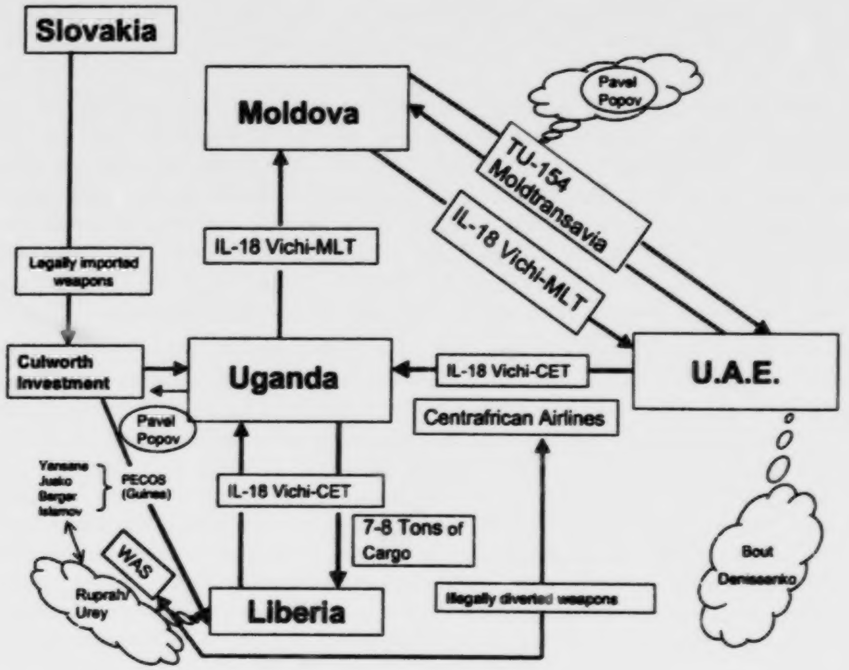
owned by Victor Bout and that Popov had signed a contract with Bout's company Transavia Travel Agency of Sharjah in the United Arab Emirates to lease the aircraft.

185. The plane was indeed insured by a company San Air, also registered in the United Arab Emirates. The general manager of that company is one Serguei Denissenko, the same man that had chartered the Ilyushin-18 for the arms deliveries from Uganda to Liberia. The Panel was given a copy of the charter contract signed by representatives of the Moldovan company Vichi and the company in the United Arab Emirates, Centrafrican Airlines. Another document shows that Vichi was paid for this contract by the company San Air General Trading of Sharjah, suggesting San Air and Centrafrican Airlines are basically one and the same company.

186. The Panel was also able to establish some further details on the Liberian side of the illicit arms transaction. Documents obtained from Uganda include a handwritten statement that was made up to confirm the loading of 1,000 of the submachine guns aboard the Ilyushin-18 with registration number ER-75929. The document is signed by the Ugandan Inspector General of Military Equipments and countersigned by a Mr. Muko, representing the arms brokerage company of Sharif Al-Masri and by a Mr. Popov, on behalf of Peter Jusko. This means Mr. Popov was present when the weapons were loaded. Mr. Jusko. is known to the Panel from a series of documents on illicit arms deals to Liberia. On these documents Mr. Jusko acts as a representative of the company Pecos in Guinea (see section on End-User Certificates). Arms broker Al-Masri had obtained an end-user for Guinea from this company.

187. As already described, the flights between Uganda and Liberia were arranged through a contract between the company Vichi and the company Centrafrican Airlines, signed on 9 November 2000. Another document the Panel obtained showed that one day before the signing of this contract, on 8 November, Centrafrican Airlines signed a contract with the company West Africa Air Services Inc. of Monrovia. This "Cargo Air Transportation Contract" referred to the same plane ER-75929 and the same routing. The document mentioned a cargo of 14.5 tons, the exact weight if the plane had flown the full amount of rifles to Liberia in two separate air transportations. The charter contract foresaw "the performance of several air transportations", suggesting that more weapons were expected. A copy of this contract was supplied to the Panel by the General Manager of San Air General Trading, Mr. Denissenko. The signature for West Africa Air Services was that of Sanjivan Ruprah (annex 8).

188. The plane flew twice between Uganda and Monrovia but the second consignment never left Uganda because the Ugandan authorities intervened. The crew members of Vichi described how a Portuguese-speaking man accompanied them on both the flights as a representative of the Liberians. The Panel obtained more information on him. Nicknamed "Beto", Carlos Alberto La Plaine held a Portuguese passport issued in Kinshasa that showed he was a diamond dealer. Sanjivan Ruprah admitted to the panel that "Beto" was one of his colleagues.


Slovakia
Moldova
Pavel Popov
TU-154 Moldtransavia
IL-18 Vichi-MLT
IL-18 Vichi-MLT
Legally imported weapons
Culworth Investment
Uganda
IL-18 Vichi-CET
U.A.E.
Centrafrican Airlines
Pavel Popov
Yansane
Jusko
Berger
Islamov
PECOS (Guinea)
IL-18 Vichi-CET
7-8 Tons of Cargo
WAS
Ruprah/ Urey
Liberia
Illegally diverted weapons
Bout
Denissenko

ER-75929 and She-Guns Case: Flow sheet diagram showing the legally imported She-guns (AK 47) landing illegally in Liberia

Case study: The case of the mystery plane, EL-ALY

189. In May 2000, the Kyrgyzstan Defence Ministry received an order for rotor blades and spare parts for military helicopters. The broker was a known arms dealer, Alexander Islamov. The order for the helicopter equipment was from Pecos, a company that claimed to be a procurement agency for the Guinean armed forces. The Panel investigated the sale of these rotor blades and spare parts because the Guinean Ministry of Defence confirmed to the Panel that they had not ordered them. Meanwhile the Panel received reliable information that the equipment had been diverted to Liberia. On investigation, the case turned out to be related to a mysterious plane the Panel of Experts on Sierra Leone had found to be operating in Liberia.

Transportation of the helicopter spare parts

190. The Security Council report S/2000/1195 described how a phantom plane had been identified by air traffic controllers in West Africa. The plane was of interest to the Panel because it had landed on several occasions at Roberts International Airport in Liberia.

191. The aircraft was an Ilyushin-18, showing a Liberian registration EL-ALY. The Panel had asked Liberia to provide records of landings and departures from its airports but according to the Liberian authorities no such records were kept. In November 2000, Liberia provided the Panel of Experts on Sierra Leone with a full

list of its aircraft registry. The Ilyushin with the Liberian registration was not among the 11 aircraft on the list.

192. But according to records on overflights and landings in several other African countries, a plane with this registration number operated for the West Africa Air Services company. West Africa Air Services operated the Ilyushin-18 from early July until October 2000.

193. According to the International Civil Aviation Organization (ICAO), West Africa Air Services was not registered as an operating agency or an airline. The flights, according to documents obtained by the Panel, were operated with a call sign "WAS 123". This unique three-letter designator is a code that is used in aviation to communicate and identify specific flights or commercial operators in the air. The designator "WAS", however, belonged to an airline in Ontario, Canada.

194. A company with a slightly different name, West *African* Air *Service* existed in the Republic of Mali. The Panel obtained information and documentation from Mali on the registration and ownership of that company but it had never operated any flights beyond the borders of Mali. Besides, this company used "WAM", not "WAS" as its three-letter designator. During its investigation, the Panel on Liberia obtained additional documentation and conducted interviews with pilots and plane owners that revealed that the plane EL-ALY and the company West Africa Air Services did exist and that the plane was involved in weapons shipments on behalf of the Liberian Government.

195. The flight movements for West Africa Air Services as recorded by different Flight Information Regions in Africa and Europe are shown in the table below:

Table 1

Flight movements of aircraft of West Africa Air Services used for illegal shipments

(shown in bold letters is the shipment of helicopter spare parts from Bishkek to Monrovia and those in italics are the shipments of ammunition from Abidjan to Monrovia)

Operating company	*Date*	*Call sign*	*Itinerary*	*Registration*	*Type of aircraft*
West Africa Air Services	02/07/2000	EL-ALY	Monrovia/Abidjan	EL-ALY	Il 18
	02/07/2000	EL-ALY	Abidjan/Monrovia	EL-ALY	Il 18
	04/07/2000	COBRA02	Monrovia/Abidjan	EL-ALY	Il 18
West Africa Air Services	**04/07/2000**	**COBRA02**	**Abidjan/Monrovia**	**EL-ALY**	**Il 18**
	12/07/2000	**WAAS 03**	**Monrovia/Chisinau**	**EL-ALY**	**Il 18**
		WAS 123	**Chisinau/Bishkek**	**EL-ALY**	**Il 18**
	17/07/2000		**Bishkek/Cairo**	**EL-ALY**	**Il 18**
	18/07/2000	**WAS0123**	**Cairo/Monrovia**	**EL-ALY**	**Il 18**
	18/07/2000	*WAS0123*	*Monrovia/Abidjan*	*EL-ALY*	*Il 18*
	19/07/2000	*EL-ALY*	*Monrovia/Abidjan*	*EL-ALY*	*Il 18*
	19/07/2000	*EL-ALY*	*Abidjan/Monrovia*	*EL-ALY*	*Il 18*

	20/07/2000	*EL-ALY*	*Monrovia/Abidjan*	*EL-ALY*	*Il 18*
	20/07/2000	*EL-ALY*	*Abidjan/Monrovia*	*EL-ALY*	*Il 18*
	21/07/2000	*EL-ALY*	*Monrovia/Abidjan*	*EL-ALY*	*Il 18*
	21/07/2000	*EL-ALY*	*Abidjan/Monrovia*	*EL-ALY*	*Il 18*
	02/08/2000	*EL-ALY*	*Monrovia/Abidjan*	*EL-ALY*	*Il 18*
	02/08/2000	*EL-ALY*	*Abidjan/Monrovia*	*EL-ALY*	*Il 18*
	05/08/2000	*EL-ALY*	*Monrovia/Abidjan*	*EL-ALY*	*Il 18*
Government of Liberia	05/08/2000	EL-ALY	Abidjan/Bamako	EL-ALY	Il 18
	06/08/2000	EL-ALY	Bamako/Monrovia	EL-ALY	Il 18
West Africa Air Services	*04/09/2000*	*EL-ALY*	*Monrovia/Abidjan*	*EL-ALY*	*Il 18*
	04/09/2000	*EL-ALY*	*Abidjan/Monrovia*	*EL-ALY*	*Il 18*
West Africa Air Services VIP Flight	07/09/2000	EL-ALY	Monrovia/Banjul	EL-ALY	Il 18
	08/00/2000	EL-ALY	Banjul/Monrovia	EL-ALY	Il 18
West Africa Air Services	11/09/2000	EL-ALY	Monrovia/Abidjan	EL-ALY	Il 18
	11/09/2000	EL-ALY	Abidjan/Monrovia	EL-ALY	Il 18
	15/09/2000	WAS 123	Monrovia/Chisinau	EL-ALY	Il 18

196. One document obtained by the Panel is a copy of an overflight and landing request for flight WAS 123 with registration EL-ALY issued on 17 July 2000. The plane arrived in Liberia from Bishkek (Kyrgyzstan) via Cairo and carried 7 tons of cargo described as "spare parts to equipment of aircraft".

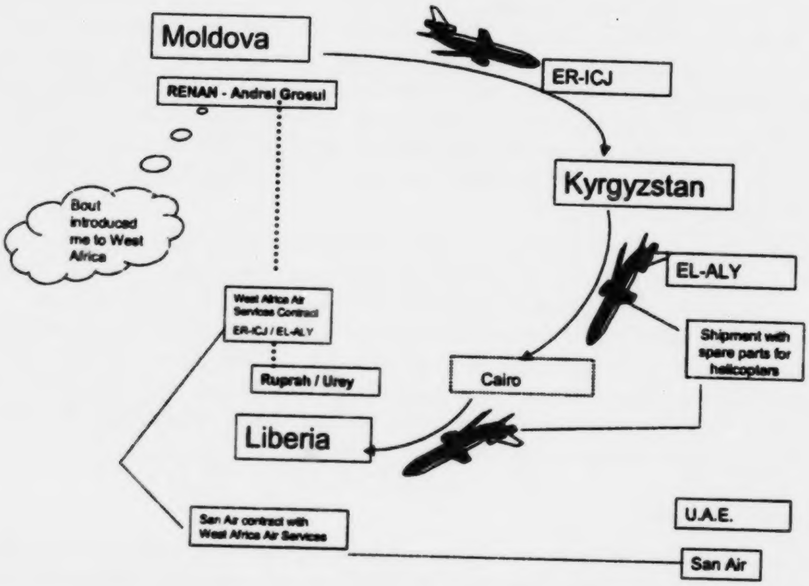
197. The document also showed that the West Africa Air Services Ilyushin-18 was owned by a large airline company, Renan. The authorities in Moldova organized a meeting between the members of the Panel and several airline owners including Andrei Grosul, the general manager of the company Renan. The Panel obtained documents that provided more detail about West Africa Air Services. Furthermore, the Panel cooperated with the authorities in Kyrgyzstan, Moldova and traffic controllers in Ghana, Guinea, Senegal and Côte d'Ivoire to corroborate the plane's movements.

198. The documents obtained by the Panel included the leasing agreement between Renan and West Africa Air Services. This contract dated 6 June 2000 showed that West Africa Air Services was registered in Liberia, with an office at P.O. Box 5620 Monrovia, 1926 Liberia. The company was represented by Mr. LeRoy Urey, who also signed the contract (annex 7). Mr. LeRoy Urey is the Liberian Deputy Minister for Administration and Public Safety.

199. The contract with Renan stipulated that the aircraft would be registered with the State Administration of Civil Aviation of the Republic of Moldova and will carry the marking of Moldova. The Panel inspected this plane later in Moldova and its tail number was the Moldovan ER-ICJ. This was exactly the registration number referred to in the contract.

200. The contract also stated that: "In case there is a necessity to repaint the Operated Aircraft and to change the above mentioned marking it shall be done at the account of West Africa Air Services". Inspection of the plane in Moldova showed that the marking on the tail of the aircraft had been recently repainted.

201. The Panel interviewed the owner of Renan and the pilot who had operated the plane during the leasing contract in Liberia. The Ilyushin had flown to Bishkek in Kyrgyzstan on 15 July 2000. In Bishkek the helicopter spare parts and rotor blades were picked up. On 17 July the plane then flew to Cairo, with a cargo manifest and an official flight plan for a flight to Guinea. On 18 July 2000 the plane arrived in Monrovia, however, and the helicopter spare parts were offloaded.


Moldova
ER-ICJ
RENAN - Andrei Groeul
Bout introduced me to West Africa
Kyrgyzstan
EL-ALY
West Africa Air Services Contract
ER-ICJ / EL-ALY
Shipment with spare parts for helicopters
Ruprah / Urey
Cairo
Liberia
U.A.E.
San Air contract with West Africa Air Services
San Air

EL-ALY — The Mystery Plane: Flow sheet diagram showing the helicopter spare parts going to Liberia

The arms dealers and brokers

202. The authorities in Kyrgyzstan were not aware that the cargo had been diverted to Liberia, not Guinea as the arms broker Alexander Islamov had claimed. Alexander Islamov had provided Kyrgyzstan with an end-user certificate for Guinea (see section on End-User Certificates).

203. On the Liberian end of the transaction, another contract was set up. The company West Africa Air Services not only organized the transport with the Ilyushin-18 but also signed a contract with the company San Air General Trading for the procurement of rotor blades for a Mi-2 helicopter. San Air is a company registered in the United Arab Emirates. The director of the company, Serguei Denissenko is a close associate of Victor Bout. The contract bearing number Mi-2/RB/2000 was signed on 27 April 2000. The company West Africa Air Services in

this case, is represented by Sanjivan Ruprah, who is also a close business associate of Bout.

204. Serguei Denissenko of San Air told the Panel that he had bought the rotor blades from Alexander Islamov, who is a regular supplier to San Air, and sold them to Sanjivan Ruprah of West Africa Air Services in Monrovia. He described Ruprah as a business partner of Victor Bout in Africa.

205. When the Panel requested information on the whereabouts of Sanjivan Ruprah in Liberia, the authorities claimed the man was unknown to them. LeRoy Urey, who had signed the leasing contract for West Africa Air Services, also denied knowing Ruprah. Ruprah, however, is known to have entered the European Union travelling with Liberian diplomatic passports, under different names. According to the passports, he was travelling on behalf of the Liberian Maritime Authority. The Commissioner for Maritime Affairs of Liberia, Benoni Urey, is a brother of LeRoy Urey. Benoni Urey also denied knowing Ruprah and knew nothing about the diplomatic passports. Mr. Ruprah is no longer in Liberia but had stayed for a long time in a house almost opposite to the one of Benoni Urey. When the Panel interviewed Mr. Ruprah he acknowledged this and confirmed that his house was that of the late Joe Tate, the former Inspector General of Police of Liberia who died in 2000 in a helicopter accident.

206. According to Denissenko no end-user certificate for the helicopter blades was needed because the Mi-2 is a non-armed transport helicopter. The end-user certificate that Alexander Islamov presented to the authorities in Kyrgyzstan to purchase the helicopter blades however clearly states that the blades were for Mi-24 helicopters (annex 6). The Mi-24 is a heavily armed helicopter gunship. The authorities in Kyrgyzstan told the Panel that Islamov had bought rotor blades for an Mi-24. Those rotor blades plus several tons of spare parts for helicopters were delivered to the Liberian end of the pipeline via San Air.

The case of Aviatrend

207. West Africa Air Services was set up for such smuggling operations only. The pilot of the plane told the Panel that he had been transporting some Liberian officials on the plane and the aircraft does have a number of passenger seats in front. However, the pilot also mentioned that the individual overseeing the operations of the plane knew more about ships than about aircraft and that his nickname was "Mr. Sanji". Sanjivan Ruprah signed West African Air Services documents and travelled on diplomatic passports issued by the Liberian Bureau of Maritime Affairs. He is the same person the Panel on Sierra Leone identified as an arms dealer involved in the Liberian procurement process.

208. Asked about the trips from Monrovia to Abidjan and back during July and early August, the pilot claimed the plane had been "empty". The Panel, however, also interviewed Sanjivan Ruprah extensively. He said those trips from Abidjan to Monrovia were for transportation of ammunition.

209. The chronology of the West Africa Air Services flights Abidjan-Monrovia and back coincides with the arrival at Abidjan airport (Côte d'Ivoire) of an Antonov-124 on 15 July 2000.

210. In cooperation with the Ukrainian authorities the Panel obtained details on this flight. The Air Waybill showed that the Antonov-124 carried a cargo of 113 tons of

7.62 mm calibre cartridges. The plane left the Ukrainian airport of Gostomel on 14 July 2000 and arrived in Abidjan, after a fuel stop in Libya on 15 July 2000. In Abidjan, the cargo was unloaded by the military.

211. The End-User for the five million cartridges and for a long additional list of weapons was signed by General Robert Gueï who was the head of State of Côte d'Ivoire at the time of the delivery. A stamp on the document showed that the signature of General Gueï was authenticated by the ambassador of Côte d'Ivoire in Moscow on 2 June 2000 and on that basis the Ukrainian authorities issued an export permit and authorized the flight. An additional document was requested by the authorities in Ukraine, a guarantee that the arms would be used in compliance with the ECOWAS moratorium on small arms. Ukraine also sent a military officer with the plane to verify the actual delivery of the weapons to Côte d'Ivoire.

212. The plane used to transport the cargo was chartered from the Antonov Design Bureau. The broker for the five million cartridges and the charterer of the plane was the Moscow-based Aviatrend company, represented by Valery Cherny. Cherny was an associate for this deal of Leonid Efimovic Minin. Minin had been key to the transportation of 68 tons of small arms from Burkina Faso to Monrovia in March 1999. Minin's private jet had then shuttled several times between the airports of Ouagadougou and Bobo-Dioulasso in Burkina Faso and Monrovia to carry the entire 68 tons.

213. Leonid Minin was arrested on 5 August 2000 in Monza, Italy. When the Italian investigators searched his hotel, a significant quantity of documents were found. Among these documents were faxes sent by Valery Cherny of Aviatrend to Minin and correspondence from the son of President Charles Taylor to Minin. Remarkably, several apparently original copies of the End-User Certificate from Côte d'Ivoire were also found in Minin's documentation. Bank transfers also show that Minin paid $1 million to Aviatrend. One payment, of US$ 850,000 to an Aviatrend account at the Alpha Bank in Nicosia, Cyprus, on 7 June 2000; a second payment of US$ 150,000 to an Aviatrend account with the Chase Manhattan Bank in New York on 13 June 2000 through one of Minin's many offshore companies Sulico Holdings. The reference for both the payments was "Buying Technical Material/Wood Extractions Tools".

214. The Panel interviewed almost every player in this particular case. The Ambassador of Côte d'Ivoire to Moscow who had authenticated the signature of General Gueï on the End-User Certificate was interviewed. When he saw copies of the End-User Certificate, the Ambassador acknowledged that he had signed one of them but said that the other copies found in Minin's possession were forged. Minor details on the document showed that Minin was carrying fraudulent copies of the End-User Certificate and that the Ambassador's signature was different from the one on the original that the Panel obtained from the authorities in Ukraine (annex 4).

215. In Moscow the Panel interviewed Valery Cherny of Aviatrend. Cherny could not explain why there were multiple copies of the Côte d'Ivoire End-User Certificate. When asked why Minin had paid him US$ 1 million when only five million cartridges had been sold (the approximate market price was US$ 250,000) Cherny acknowledged that more arms were stockpiled and waiting for delivery to Côte d'Ivoire. After the 14 July shipment had left Ukraine and preparations were made for additional deliveries Minin "disappeared". Later Cherny heard that Minin

had been arrested in Italy. The weapons were waiting for delivery ever since, Cherny claimed.

216. The Panel also interviewed General Robert Gueï who, after the elections in Côte d'Ivoire, fled the capital to his home village in the west of the country. The General acknowledged that he had signed the End-User Certificate. He had signed only one document. He explained that when he took office, after a coup d'état in 1999, he wanted to replenish depleted Ivorian army stocks. As a first step he asked the Heads of State of other African countries, including Burkina Faso, Libya, Morocco and Liberia to supply small quantities of ammunition and light weapons. The Liberian President, General Gueï said, supplied some arms and even sent an emissary to help the General out. This emissary was the Liberian Ambassador-at-large Mohamed Salamé, a resident of Abidjan, and owner of a timber business in Liberia. Salamé offered his services and asked General Gueï to sign the End-User Certificate. A split-up would then be made between Côte d'Ivoire and Liberia for those weapons. The General acknowledged that some of the ammunition had remained in Côte d'Ivoire but most of it had been for Liberia.

217. The practical arrangements were made by Ambassador Salamé, according to the General. When the Panel contacted Ambassador Salamé, he flatly denied any knowledge of ammunition transactions. His business was exclusively timber, he said. However, when the Panel interviewed Leonid Minin in prison in Italy, he credited Mohamed Salamé for assisting the Côte d'Ivoire part of the Aviatrend arms deal. Minin said the deal had been organized by Mohamed Salamé on behalf of the Liberian President, in return for a beneficial deal for Minin's timber company Exotic Tropical and Timber Enterprises in Liberia. Leonid Minin also acknowledged that his arrest in August caused the cancellation of further deliveries of the weapons on the End-User Certificate. He had already made advance payments for those weapons. Leonid Minin also stated that the son of President Taylor, Charles "Chuckie" Taylor (Jr.) had tried to become part of some of these arms transactions, in order to collect commissions. Another business partner of Leonid Minin, a Finnish national with companies in Turkey and Switzerland, had dealt with Charles Taylor Jr. and documents found in Minin's possession show that this individual was sending documentation on different types of equipment to Minin. In some of these documents, "special packages for Junior" are mentioned. The Finnish individual, Erkki Tammivuori, acknowledged to the Panel that he had travelled a few times to Liberia with Leonid Minin and that he had been asked to broker non-lethal security equipment.

218. The Panel took particular interest in one letter sent to Minin by Mr. Tammivuori mentioning that arms could be delivered with or without End-User Certificate, and that a bidding procedure could be avoided if no end-user certificate was needed, thus making the arms cheaper. The letter is faxed to Minin in March 1999. It is printed on stationery of a company MET A.S. in Turkey, but sent from Tammivuori's address in Switzerland. The arms offered on the document are Konkurs missiles, configuration "Tandem Warhead for Reactive Armour". Sanjivan Ruprah, during his interview by the Panel showed on the computer screen of his cellular phone a list of weapons that had been delivered in May 2000 to Liberia, with the Ilyushin-76 bearing registration TL-ACU. The list contains several missile types, including Strela and Igla missiles and launchers for Konkurs missiles. Mr. Ruprah explained that this equipment had so far not been used in the war, because no trainers had been sent to Liberia to operate the missile systems.

mercenaries in 1996. Guinea has in the past two years acquired several Mi-24 helicopters, several of which are stationed along the borders with Sierra Leone and Liberia. The Ministry of Defence in Côte d'Ivoire, in its discussions with the Panel, stated that the presence of these helicopters in neighbouring countries was a potential threat to Ivorian security and that the Government was going to procure similar helicopter gunships to match this build-up.

225. Liberia was not known to have any Mi-24s but the arms embargo imposed on Liberia has not prevented the country from importing several other military helicopters. The Panel on Sierra Leone mentioned the shipment of those in its report (S/2000/1195, para. 233) and identified the arms smuggling network of Victor Bout as the main supplier. During its visits to Liberia in July and October 2001, this Panel observed two Mi-17s, one with the markings of the Anti-Terrorist Unit, based at the airport of Spriggs Payne, close to the city of Monrovia; another one is grounded with technical problems in a hangar at Roberts International Airport since early 2001. Two Mi-2 helicopters were also supplied by Sanjivan Ruprah in October 1999 and spare parts for Mi-17 and for Mi-24 helicopters were obtained from Kyrgyzstan in July 2000. The Panel also spoke to Sanjivan Ruprah who, as a partner of Victor Bout based in Liberia, had been key to the procurement of the deliveries of the Mi-8 helicopters.

226. Helicopter pilots stayed in Hotel Africa, the hotel owned by one of the most influential businessmen in Liberia, Gus Kouwenhoven. The Panel visited Hotel Africa in July and found that the majestic hotel was almost completely empty. The pilots were the only regular clients. Gus Kouwenhoven lives in one of the villas that are part of the hotel complex. Mr. Kouwenhoven told the Panel in October 2001 that the pilots had left his hotel. One of these pilots, now returned to Eastern Europe, confirmed that he and his colleagues had left.

227. Liberia's quest for Mi-24 helicopter gunships appeared to have been unsuccessful so far. But there have been two recent attempts to obtain additional Mi-17s and even Mi-24s. The authorities of Moldova and Slovakia assisted the Panel in its investigation of these cases.

The first consignment

228. In March 2001, the Security Council Committee on Liberia received information from the Slovak authorities that their customs authorities had stopped a helicopter gunship from being transported to the Republic of Kyrgyzstan. They had been suspicious that the aircraft with the helicopter on board planned to go to another destination, in possible violation of United Nations sanctions.

229. An investigation into events leading up to this incident indicated that on 2 July 2000 the LOT helicopter repair plant at Trencin signed a contract with the Ministry of Defence of the Republic of Kyrgyzstan for the repair and refurbishment of two Kyrgyz helicopter gunships. Contractual arrangements had been made between the Ministry of Defence and a Defence Attaché from the Republic of Kyrgyzstan to Moscow, Major General Urazmatov. The Defence Attaché had first enquired about the possibility to have two Mi-24 helicopter gunships repaired at the helicopter repair plant in Slovakia. A first helicopter had arrived in Slovakia in late June 2000, after approval of the Slovak Ministry of Defence. After the contract was signed, it had been refurbished and repaired and had been flown back to Kyrgyzstan a few weeks later. The second helicopter had arrived in October 2000 and an Ilyushin-76

219. The son of President Taylor was also involved with the ammunition deal between Côte d'Ivoire and Liberia. Both Leonid Minin and Sanjivan Ruprah mentioned this. When the 113 tons of ammunition arrived in Côte d'Ivoire on board the Antonov-124 (registration UR82008), Minin was in Italy. The supplier of the weapons, Valery Cherny, was in the Ukraine at that time. The final delivery to Liberia was arranged between the military at Abidjan airport, Sanjivan Ruprah, Mohamed Salamé and Charles Taylor Jr. Minin said a special plane was organized from Monrovia to pick up the ammunition.

220. This is where the Ilyushin-18 of West Africa Air Services played an important role again. An Ilyushin-18 is a relatively small aircraft, as compared to the 113 tons that needed to be transported. This is why the plane had to fly eight times to bring the entire cargo over to Liberia, Mr. Ruprah told the panel. The operations started on the very day the Ilyushin had come back with the helicopter spare parts from Kyrgyzstan.

221. When Minin was arrested in Italy, the operation had to stop. Valery Cherny did not have the necessary contacts in Liberia, whereas Leonid Minin had been dealing with the Liberian presidency all along. President Taylor, as reported by the Panel on Sierra Leone, had reached an agreement with Minin to use his private jet to fly weapons from Niger and Burkina Faso. Minin also had important investments in the Liberian timber industry. Minin had documents in his possession when he was arrested, signed by the Minister of Justice in Liberia, showing that the Liberian Government still owed Exotic over $2 million in prepaid taxes. Since Minin never exported any significant amounts of timber, this money could only be owed for other services rendered to the Government of Liberia.

222. The Ivorian End-User Certificate, with its multiple copies in possession of Minin and Valery Cherny, provides an indication of the amounts of weaponry that were still in the pipeline to be supplied to Liberia, had Minin not been arrested by the Italian authorities. The public prosecutor of the court of Monza in Italy, at the time of writing of the report, was still investigating the full extent of this sanctions-busting case.

223. The pilot of the Ilyushin-18 also told the Panel in Moldova that after those flights from Abidjan, there had been little work for him and the crew. Clearly, the weapons ordered through the Minin-Aviatrend pipeline were directly related to the operations of the mystery Ilyushin (EL-ALY) that had been leased by Sanjivan Ruprah and his Liberian partners, Benoni and LeRoy Urey. It explains why the leasing contract between Renan and West Africa Air Services was finally called off. In September, the plane made one last flight, to fly members of President Taylor's Anti-Terrorist Unit to Abidjan to assist General Robert Gueï when his residence came under attack by a rioting army unit. The plane then flew back to Chisinau, Moldova, where the fake tail number was removed and replaced with its original Moldovan registration ER-ICJ.

Case study: Liberia's quest for helicopters

224. The Panel has discovered that Liberia has been trying hard to obtain military helicopters. Transport helicopters (Mi-8, Mi-17) and especially helicopter gunships (Mi-24 or Mi-35) have found their way from factories and stocks of Eastern European countries to African conflict zones. In Sierra Leone Mi-24s played a significant role in the operations of Executive Outcomes, by the South African

was to pick it up again in February 2001. The transport in both cases had been arranged through charter contracts with the private airline company Centrafrican Airlines.

230. A detailed analysis of the case shows that the first helicopter had arrived in June on board an Ilyushin-76 and stayed at the repair plant for about one month. The same Ilyushin-76 (registration TL-ACU) had transported the helicopter back to Kyrgyzstan. However, by the time the second helicopter had been repaired in Slovakia, in February 2001, the authorities started to become suspicious and sought additional confirmation about the legitimacy of the deal from their counterparts in Kyrgyzstan because the second helicopter was ready to be flown back there.

231. Kyrgyzstan reported that the helicopters were not supposed to come back. In fact the Ministry of Defence in Kyrgyzstan was not even aware of any repair contract in Slovakia, correspondence between the customs departments of both countries shows. Instead, the helicopters had been sold by Kyrgyzstan to a broker, Alexander Islamov. The client for the helicopters was a Guinean company called Pecos. This information, received from Kyrgyzstan, led the authorities in the Slovak Republic to block the second helicopter and to inform the United Nations Security Council Committee about the case. The Panel found out later that it was the Military Attaché of Kyrgyzstan, Major General Urazmatov, who had set up the deal with the Slovak repair plant, without the knowledge of the Defence Ministry in Kyrgyzstan. The Major General was fired afterwards.

232. A few days after the grounding of the helicopter on 22 February 2001, a national from the Slovak Republic, a Peter Jusko presented himself as the representative of Pecos and claimed to be the new owner of the helicopter. Mr. Jusko was already known to the Slovak authorities as a director of an arms brokerage company called Joy Slovakia. Alexander Islamov, the broker who had dealt with the Ministry of Defence in Kyrgyzstan was also a director of that company. The military in the Slovak Republic had previously done business with Joy Slovakia and showed the Panel a copy of an end-user certificate of the company for the sale of small arms to Guinea in 1997. The Panel later verified in Guinea that the arms had never been ordered by the Defence Ministry there (see section on End-User Certificates). The End-User Certificate was a forgery.

233. Even before customs had grounded the second helicopter, the cargo plane that would come to pick up the helicopter had raised some suspicion with the Civil Aviation Authority in Bratislava. Requests for landing of the cargo aircraft had come from the company MoldTransavia, in Moldova, but the company wanted to perform flights with aircraft registered in the Republic of the Congo and the Central African Republic, with a billing address in the United Arab Emirates. The Slovak Civil Aviation Authority first contacted the Ministry of Transport and Civil Aviation in Moldova to establish if the company MoldTransavia was duly entitled to operate international non-scheduled flights, if MoldTransavia had a valid air operator certificate and if the airline was entitled to operate an Ilyushin-76 cargo aircraft. The Moldovan reply was that MoldTransavia had a valid operator certificate but was only authorized to operate a passenger aircraft, not the Ilyushin-76 it wanted to operate for the transport of the helicopter gunship.

234. Meanwhile, MoldTransavia tried to send copies of insurance documents to the Civil Aviation Authority in Slovakia to show that it was duly insured to operate two Ilyushin-76s. The insurance documents showed that since December 2000, one

Ilyushin-76 with registration number TL-ACU was insured for both the companies MoldTransavia and a company San Air. Another Ilyushin-76 with registration TN-AFS was insured for the Government of the Congo and again, the company San Air, but not for MoldTransavia. MoldTransavia had sent these certificates of insurance to Slovakia on 12 February 2001, but by that time the negative answer from the Aviation Authority in Moldova had arrived.

235. The Slovak Civil Aviation Authority refused to grant MoldTransavia permission to perform the flight for the transport of the helicopter. But then another series of requests arrived from the company Centrafrican Airlines. Centrafrican requested permission to land in Slovakia and to pick up the same helicopter. The plane it wanted to use was again the Ilyushin-76 with registration TL-ACU. This time, Centrafrican Airlines would be the operator.

236. By then, the Slovak Aviation Authority was already in possession of the insurance certificate it had obtained from MoldTransavia for this particular aircraft, the Ilyushin-76 with registration TL-ACU. The insurance document did not show that the company Centrafrican Airlines was entitled to operate the aircraft, so again, the aviation authorities wanted to check the air operator certificate of Centrafrican Airlines and the insurance certificate showing the company was authorized to fly the Ilyushin-76.

237. On 19 February 2001, Centrafrican sent an insurance certificate for the plane. This time it covered insurance for the owner San Air and two operators, MoldTransavia and Centrafrican Airlines. The plane, according to the certificate, was insured for all these companies since 4 December 2000.

238. Centrafrican Airlines also sent an Air Operator's Certificate issued in the Central African Republic and with a company address in the United Arab Emirates. On 20 February 2001, permission was finally granted for the Ilyushin-76 to land in the Slovak Republic, pick up the helicopter and fly it back to Kyrgyzstan. On 22 February, the aircraft arrived to collect the helicopter gunship but then the Slovak customs authorities intervened.

239. The Panel visited the Republic of Kyrgyzstan to get a better understanding of the contractual arrangements and of what had happened with the first helicopter that should have arrived back there, according to the contractual agreement the Slovak repair plant had with Kyrgyzstan. However, Kyrgyzstan did not have any knowledge of such a contract. The Ministry of Defence in Kyrgyzstan cooperated with the Panel and provided details on their involvement in the helicopter deal. The Ministry of Defence in Bishkek had been dealing with a representative of Pecos, Alexander Islamov. He had always presented himself as a regional representative of the company Pecos in Guinea, who procured weapons and related materiel on behalf of the Ministry of Defence of Guinea. As described in the case above, Islamov had bought spare parts for helicopters in Kyrgyzstan, too. Islamov is a co-director with Peter Jusko in a number of arms dealing companies that are known to have been set up for illegal arms transactions and sanctions-busting activities. In the case of the helicopters, Islamov presented the Defence Ministry in Kyrgyzstan with an end-user certificate for Guinea, dated 1 July 1999. This document, as the Panel later established during a visit to Guinea, was a forgery and the helicopters had not been ordered by Guinea.

240. When the Ilyushin-76, Victor Bout's plane, had arrived in Kyrgyzstan on 26 June 2000 to pick up the first helicopter gunship, it did take off and fly to the repair plant in Slovakia. There it departed again on 2 August 2000, to fly the helicopter back to Kyrgyzstan with a fuel stop in Chisinau (Moldova), according to the flight permission given in Slovakia, but it never went to Kyrgyzstan at that time. It only arrived in Kyrgyzstan on 22 August for a fuel stop, coming from Tbilisi (Georgia) and then it took off, according to the logs of the traffic controllers in Kyrgyzstan, to Conakry in Guinea. Records of the traffic controllers in West Africa, however, show that the plane did not fly to Guinea, but landed at Roberts International Airport in Liberia instead, on 23 August 2000. At the time of writing, the Panel was still waiting for a response from Georgia on the cargo on board the Ilyushin. Hardly two months earlier, as described in another case in this report, a plane had also flown from Kyrgyzstan to Monrovia, with 7 tons of spare parts for Mi-8 and Mi-24 helicopters. Again, the authorities in Kyrgyzstan had been led to believe that the final destination would be Guinea, not Liberia.

The second consignment

241. After the refusal of customs to allow the helicopter to depart from Slovakia, the Ilyushin-76 of Centrafrican Airlines went to pick up another helicopter consignment. On 10 March 2001, the cargo aircraft arrived at the military airfield of Marculesti in Moldova. Centrafrican Airlines had a contract with the local airline company MoldTransavia to pick up two Mi-8 helicopters. This was immediately after the debacle with the helicopter in Slovakia. The Panel obtained a copy of this charter contract, signed on 15 February 2001, provided to the Panel by Sergeï Denissenko, the General Manager of San Air which is an agent for the flights of Centrafrican Airlines. The Panel also obtained copies of money transfers by San Air to the repair plant in the Slovak Republic.

242. In Moldova, the deception with flight plans went on. There, the helicopters were two Mi-8s, owned by the Moldovan Air Force. The Ministry of Defence of Moldova had signed a contract with Andreï Grosul, General Manager of the Moldovan company Renan, to have the helicopters repaired and then lease them to a third party. This was done through yet another company, the company Pecos in Guinea. A joint cargo insurance certificate obtained by the Panel shows that Renan and Pecos insured the transport of the two military helicopters Mi-8 from Chisinau (Moldova) to Conakry (Guinea).

243. During its visit to Moldova in June 2001, the Panel cooperated with the authorities to find out more about the case. The issue had already caused a dispute between the Defence Ministry and other government branches because normal arms export procedures had been bypassed and no authorization had been given for the export of the helicopters. The case shows an exceptional type of deception because the export of helicopters was done without an End-User Certificate. Copies of End-User Certificates would eventually turn up, but only after the helicopters had been stopped from departing.

244. One of the brokering companies, Renan, and the suppliers of the helicopters, the Defence Ministry of the Republic of Moldova, argued that in the case of a leasing contract, no end-user was needed. The helicopters were to be sent to Guinea for repairs and would then be leased to Guinea and later Namibia. Only after completion of the repairs in Guinea an exploitation contract for their use would be

signed and only then, the normal export procedures for military transactions would be followed. When the helicopters were ready to depart from the military airfield of Marculesti in Moldova to Guinea, the Moldovan security service intervened and stopped the cargo aircraft carrying the helicopters from departing. This was in March 2001. When the Panel visited Moldova, the helicopters were still being held. Shortly before the Panel arrived in Moldova, Renan cancelled its contract with Pecos in Guinea. The Panel obtained a copy of the agreement on the termination of the contract. That document, signed on 31 May 2001 in Chisinau, Moldova, clearly shows that Renan was not just sending the helicopters to Guinea for repairs. Pecos, in the document, is called the Lessee, Renan the Lessor. The document was signed one week before the Panel arrived in Moldova.

245. The Panel questioned the General Director, Andrei Grosul, of the company Renan at length. Renan had signed one contract with the Ministry of Defence in Moldova on the one hand and with Pecos Compagnie in Guinea on the other hand. Being short of money to maintain its helicopters, the Moldovan military were interested in this contract. Renan offered to pay for the repairs of the helicopters in Guinea, money that would be gained back afterwards when they would be leased to a third party for temporary use. Part of these profits would then be split between Renan and the Moldovan Air Force. The package deal also included contract work for pilots of the Moldovan air force, another aspect that was considered beneficial to the Moldovan Ministry of Defence.

246. The problem with this arrangement is that Guinea does not have any helicopter repair facilities. The Guinean authorities were also unaware of any contract being signed with either Renan, the Defence Ministry in Moldova or the Guinean company Pecos. All this was verified by the Panel.

247. In Moldova, the company Pecos was represented by an Israeli citizen, Jacob Berger. A document presented by Berger in Moldova to the Defence Ministry, shows that he had power of attorney to act on behalf of Pecos. Both Jacob Berger and Peter Jusko, as representatives of Pecos and of another company, Joy Slovakia (see section on end-user certificates), had procured weaponry from Moldova before. None of these weapons had ever been delivered to the destination stated on the documents they provided to the exporting countries. In the records of the Moldovan Defence Ministry, an end-user certificate was found for a case where Jusko and Berger had acted as brokers. The stated end-user on this document was Guinea, but as the Panel verified in Guinea, the weapons had never gone to Guinea. The Guinean authorities categorically stated that the country had never used Pecos as a broker for any of its arms procurement transactions. As the other cases in this report illustrate, Pecos is a company that has systematically been used by brokers to violate the arms embargo imposed on Liberia. If the helicopters had not been stopped in Moldova, they would certainly have ended up in Liberia, too.

248. Pecos is not the only indication for this. The company, Renan, had previously been in business with Liberia. It was Renan that signed the charter agreement for the mystery plane with registration number EL-ALY, that was used for several arms shipments to Liberia. At least one of those included helicopter spare parts and rotor blades for military helicopters, again with Pecos at the receiving end.

249. Another strong indication that the helicopters would have gone to Liberia is the transport plane that arrived in Moldova on 10 March 2001 to pick up the helicopters to ship them to West Africa. Victor Bout's Ilyushin had been used on

previous occasions to ship weapons to Liberia, as was shown in the report (S/2000/1195). The owner of MoldTransavia, the company that organized the operating and landing permits for the Ilyushin in Moldova, is Pavel Popov, an individual the Panel identified as a close business partner, or rather an employee, of Victor Bout. Popov can be considered the ground manager for Victor Bout's arms shipments from Central Europe. It is Popov who applies for flight permissions and issues the false flight plans. Popov was also a key player in the Ugandan case where AK-47s were diverted from their stated destination and flown to Liberia. It was Popov who signed the clearance document, on behalf of Peter Jusko of Pecos (see case of the She-guns).

250. The Moldovan authorities arranged for the Panel to meet with Pavel Popov, who confirmed that he worked for Victor Bout. Pavel Popov refused to give the Panel documentation on the owner of the plane. The Panel obtained the documents, however, from the Civil Aviation Authority in Moldova, where under normal international procedures, documents on the owners and insurers are kept. The documents show that Popov's company, MoldTransavia, operated its own passenger plane. The Certificate of Registration states that the owner of the aircraft was Transavia Travel Agency, in Sharjah, United Arab Emirates. The leasing agreement between MoldTransavia and Transavia Travel Agency was signed in June 2000 by Pavel Popov and Victor Bout, respectively. An airworthiness certificate attached to the documentation shows the plane was registered in the Central African Republic before it had been registered by Pavel Popov in Moldova (see also section on Centrafrican Airlines). The latter certificate, the Panel found out while visiting the Central African Republic, was a forgery but it was used to change the name of the aircraft owner Centrafrican Airlines to Transavia Travel Agency. Other documents show that Victor Bout had bought the plane from his brother, Sergueï Bout. The payment of $1 million was made from Transavia Travel Agency's account at the Standard Chartered Bank in Sharjah, an element that would later prove important to the Panel when bank transfers from Liberia to the companies of Victor Bout were analysed.

251. Shortly after the Panel had visited Moldova, the plane of Popov was excluded from the Moldovan aircraft register. This means MoldTransavia could no longer operate from Moldova. Information obtained from Bulgaria shows that Transavia Travel Agency, represented by Victor Bout, sold the plane on 21 May 2001, exactly two weeks before the Panel arrived in Moldova, to San Air General Trading FZE in Ajman, United Arab Emirates, represented by Serguei Denissenko. San Air's General Manager Serguei Denissenko also represents Victor Bout's airline Centrafrican Airlines.

252. On 11 June 2001, four days after the Panel had interviewed Pavel Popov, he leased his plane to Union Trans Service in Bulgaria, who in turn leased the aircraft to Balkan Bulgarian Airlines. The plane now carries the new registration LZ-LTV. Renan, after cancelling the leasing contract for the helicopter with Pecos in Guinea, signed a new agreement with a brokering company in Hungary. Under a new agreement signed on 25 June, two weeks after the Panel had left Moldova, the helicopters were now finally leased to Namibia. There is little doubt that the helicopters would be in Liberia, if the authorities in Moldova and Slovakia had not intervened in a timely fashion. There are strong indications that advance payments for the helicopters were made to Centrafrican Airlines, through the accounts of its

representing agency, San Air, in the United Arab Emirates (see section on Government Expenditures).

Case study: The Pecos End-User-Certificate Trail

253. Copies of Guinean end-user certificates used by Pecos were obtained by the Panel in Slovakia, in Moldova, in Kyrgyzstan and in Uganda. The Defence Minister of Côte d'Ivoire also mentioned Pecos as a company that had recently offered him its services to procure military helicopters for the Ivorian armed forces. An End-User Certificate mentioning Pecos and signed by the Defence Ministry of Namibia was also found. The latter, dated 28 March 2001, is a forgery. This was confirmed by the Namibian authorities. The Panel also verified that none of the weapons on the many different end-user certificates presented by Pecos of Guinea ever went to Guinea.

254. The structure of Pecos is simple. The company was established in Conakry, Guinea, in October 1997. The company's main focus was dealing in weapons. The statutory manager of the company is Mohamed Yansané, a Guinean citizen and agronomical engineer. He went to university in Czechoslovakia with Peter Jusko. Peter Jusko, a national from the Slovak Republic, came to see him in 1997 and asked him to set up a company in Guinea.

255. Jusko visited Yansané a few months after his arms dealing company, Joy Slovakia, in the Republic of Slovakia had become the focus in a criminal investigation by several European police services for suspected involvement in money laundering and arms trafficking.

256. Yansané's involvement was restricted to be, nominally, the manager of the Pecos company. When confronted by the Panel with all the end-user certificates bearing his signature, Mohamed Yansané did not recognize any of them. He recognized one document, dated February 2001, that was signed by him and stamped by a notary in Conakry, Guinea. The document gave full power of attorney to Peter Jusko to represent Pecos and was made up urgently to allow Jusko to get a combat helicopter released that was kept by customs authorities at the airport of Sliac in the Slovak Republic.

257. The notary's stamp and signature on the document was genuine, it was of Mr. Yansané's wife. Another document that provided similar representation to Jacob Berger, an Israeli citizen, was not recognized by Mr. Yansané. The Panel obtained this document in Moldova where the export of two helicopters was blocked by the authorities because of irregularities. The helicopters were, according to the documents, supposed to be sent to Guinea for repairs, and then to Namibia. Guinea has no helicopter repair facilities.

258. Mr. Yansané told the Panel that in 1997, around the time Pecos had been registered as a company, Peter Jusko had supplied medical equipment to Guinea for a military hospital. An official of the Ministry of Defence had signed for the delivery of that equipment. The stationery paper, the stamps and copies of that signature were then later used, Mr. Yansané explained, to produce forged end-user certificates. The Chief of Staff of the Guinean Armed Forces and the Procurement Officer of the Guinean army also said that none of the items on any of the Pecos end-user certificates the Panel presented to them had ever been ordered by Guinea.

259. Pecos was a front company for illicit arms imports into Africa from arms-exporting countries. Although the Panel's investigation was limited to a small number of specific arms transactions to Liberia, many of these end-user certificates showed up. Those documents show a wide range of arms, from helicopter gunships to transport aircraft, missiles, artillery pieces and massive quantities of small arms and ammunition. In combination with the false flight plans for the transport of the weapons, most of the exporting countries took Guinea for the real end-user. Had any of the exporting countries tried to actually verify that Guinea was the real end-user, Pecos might not have lasted until 31 May 2001, the date on the most recent document the Panel obtained.

260. An analysis of the chronology of events shows that Peter Jusko's plan was to set up a front company in Guinea, following the start of investigations by some Western and Central European police agencies into the activities of his other company, Joy Slovakia. In practically all the countries where the Panel discussed the issue of the Pecos end-user certificates, Peter Jusko or some of the other individuals involved with Pecos were also known as representatives of Joy Slovakia.

261. In 1998, new legislation was also enacted in the Slovak Republic making it a requirement for arms dealing companies to register and get a special permit. Since then, Joy Slovakia has become less active. The company changed its name into Morse s.r.o. in 1999, but that new company never had any registered commercial activities, an investigation by the Slovak authorities shows.

262. In some of the cases investigated, the date on the end-user certificates is much older than the actual delivery of the weapons. In the case of the helicopter spare parts and rotor blades from Kyrgyzstan that were shipped to Liberia in July 2000, an end-user dated 25 September 1998 was presented by Alexander Islamov to the Defence Ministry in Kyrgyzstan. Although end-user certificates have an indefinite validity, the signature on the documents is from an official in Guinea who left the Government years ago. None of the export controllers in the exporting countries seemed aware of that and only depended on the documents and the broker as a guarantee for the safe delivery of the arms.

263. Also, if arms-exporting countries would have reported all their arms sales to a centralized database such as the United Nations Conventional Arms Register, the magnitude of so-called "Guinean procurement of weapons" should have triggered the attention of several arms-exporting agencies.

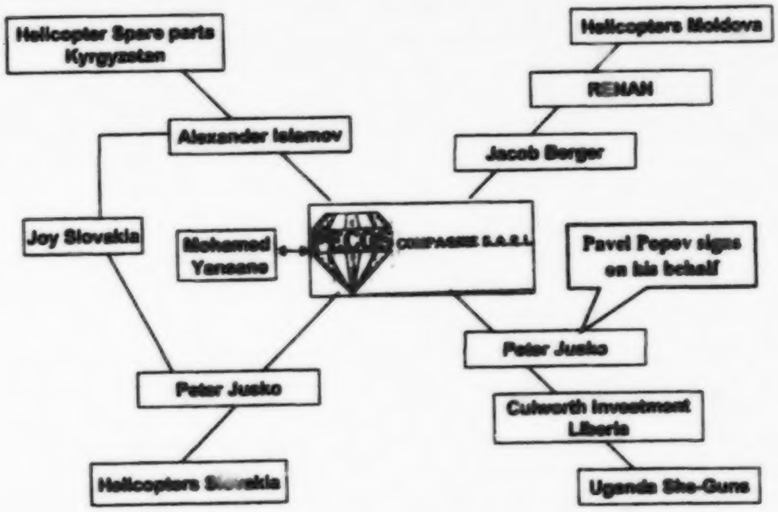
264. The occurrence of individuals associated with Joy Slovakia and Pecos in the violation of the arms embargo on Liberia was systematic. Although these brokering companies may have been used for arms deals to other embargoed countries or non-state actors, individuals associated with the company played a very important role in arming Liberia and Sierra Leone. Peter Jusko, Alexander Islamov and Jacob Berger are three individuals whose names were mentioned during interviews with officials of arms-exporting agencies in several countries.

265. These names also appear on the documentation collected by the Panel. Since all the arms in these cases went to Liberia, all these individuals were involved in the use of forged end-user certificates and the illicit trafficking of weapons to a country under United Nations sanctions. The Panel asked the cooperation of the authorities and law enforcement agencies in several countries to locate or at least get a contact number for these individuals. Mohamed Yansané was found after a long search in

Kipé, Ratoma, a district of the capital of Guinea that was mentioned on some of the stamps on the end-user certificates. The Panel managed to find the notary who turned out to be the wife of Yansané and was able to question both of them.

266. The Panel also wanted to confront Peter Jusko, Alexander Islamov and Jacob Berger with the evidence but only was able to locate Peter Jusko, who contacted the Panel himself in October 2001. Jusko claimed he knew nothing about the use of all these end-user certificates and blamed Alexander Islamov in Moscow, who was indeed his former associate, and the network of Victor Bout for the wrongdoing. He did not want to explain why then, he had taken the initiative to contact the Panel. When asked about the phone number or a contact address for Islamov, Jusko said Islamov changed phone numbers all the time and only contacted him. This was an often heard statement when the Panel tried to locate other arms dealers and brokers too.

267. When the Panel interviewed Sanjivan Ruprah, in September 2001, he explained that Jusko was one of the main suppliers of end-user certificates to his organization. Islamov is a supplier of many weapons and spare parts for the companies of Bout. Ruprah, who is both the owner of diamond mines in Liberia and an arms dealer, works in close cooperation with Victor Bout. Ruprah lived in Monrovia, Liberia, from 1999 until January 2001. He showed the Panel a recent arms wish list for Liberia with prices for different types of arms and ammunition. The price for the end-user certificate, as marked on the list, was US$ 50,000. "24 hours required to obtain end-user" is marked on the document.


Helicopter Spare parts Kyrgyzstan
Helicopters Moldova
RENAH
Alexander Islamov
Jacob Berger
Joy Slovakia
Mohamed Yansane
PECOS COMPAGNIE S.A.R.L
Pavel Popov signs on his behalf
Peter Jusko
Peter Jusko
Culworth Investment Liberia
Helicopters Slovakia
Uganda She-Guns

Pecos, the producer of forged End-User Certificates — Flow chart showing network of Pecos

Case study: The case of Centrafrican Airlines

268. An Ilyushin-76 (registration TL-ACU) became a key focus of the Panel. In several of the cases analysed by the Panel, this plane was used for the transport of weapons in violation of the United Nations embargo. When not in operation, the plane is parked at Sharjah or Ras al-Khaimah, two airports in the United Arab Emirates. The Panel members saw the plane at the airport of Ras al-Khaimah during their visit to the United Arab Emirates. It is owned by Centrafrican Airlines, an airline company with offices in the Sharjah Airport Freezone. In early 2001, the company offices moved to P.O. Box 2190 in Ajman, another emirate in the United Arab Emirates.

269. The company is owned by Victor Bout, but Bout himself is not involved in the day-to-day management. The commercial manager of the company is Serguei Denissenko, a Russian living in the United Arab Emirates who used to work as an employee for Victor Bout but now runs his own company San Air General Trading.

270. Mr. Denissenko claimed during interviews with the Panel that he no longer works for Victor Bout, but his company San Air shares a business address and phone numbers with Centrafrican Airlines in the United Arab Emirates. Victor Bout's main operating agency, Transavia Travel Agency, also shared this address but that company has ceased operations in early 2001 according to Mr. Denissenko.

271. Centrafrican Airlines is still operational with San Air General Trading acting as the commercial and operations agent. In March 2001, San Air and Centrafrican Airlines moved to new offices in the Ajman Freezone. When calling the switchboard of these companies, it seems both companies are now part of an entity called the CET Aviation Enterprise. To make things more complicated, a company CET Aviation exists in Malabo, in Equatorial Guinea. That company is run by a Valerii Naido, also a former employee of Victor Bout, who now assists an agency to register planes in Equatorial Guinea. Serguei Bout has most of his aircraft registered there; some of the planes of Centrafrican Airlines were in the process of being transferred to that register at the time the Panel was writing its report. In Rwanda, another associated company exists, with the name Central African Airways.

Centrafrican Airlines

272. The Panel is in possession of documents showing it is Victor Bout who signs as the owner of Centrafrican Airlines. Contracts for the sale of aircraft and bank documents are signed by him. As the name would suggest, the founding address of Centrafrican Airlines is not in the United Arab Emirates but in Bangui, in the Central African Republic. The company was registered there by Victor Bout on 28 May 1998. The principal shareholders are a company SouthBound Ltd., P.O. Box 398, Suite 52 and 553 Monrovia House, 26 Main Street, Gibraltar, controlled by Victor Bout. Another company of Victor Bout under the name ATC Ltd. and a company WestBound Ltd., P.O. Box 399, 26 Main Street, Gibraltar, are also shareholders of the company. The latter, WestBound, is owned by a Belgian pilot, Ronal De Smet. De Smet has been a partner of Bout since 1995.

273. On 25 July 1998, upon special instructions from the Ministry of Transport, with a view to facilitating the registration of the company, Centrafrican Airlines obtained an Air Operator Permit from the Civil Aviation Authority of the Central African Republic authorizing the company to operate flights domestically. Thus,

Centrafrican Airlines had no authorization to operate international or continental flights. Its fleet consisted of three aircraft, one Tupolev-154 and two smaller Antonov-24s, recorded in the registration book.

274. Those were the only planes that the company ever registered in the Central African Republic, but in early 2000, the Civil Aviation Authority there discovered a major case of fraud in its registry. A Director of Civil Aviation, in close collaboration with Victor Bout and his partners, but without the knowledge of the authorities in the Central African Republic, had produced many false permits for Centrafrican Airlines. About 20 planes and possibly more, many of them large freighter aircraft, operated in different parts of the world under the Central African Republic flag. None of these planes had been properly registered. The plane registered as TL-ACU is one of those illegally registered (annex 5). The plane was insured until mid-September by the company Willis, a well-known insurance broker in the United Kingdom. During the Panel's visit in the United Arab Emirates, Serguei Denissenko told the Panel that he has very good contacts at Willis and that his company San Air takes care of the insurance for Victor Bout's planes. The insurance documents for the Ilyushin illustrate how the plane operates for different companies, including Centrafrican Airlines, San Air and MoldTransavia, Moldova.

275. Centrafrican Airlines and San Air are clearly two agencies of the same company. MoldTransavia is another front company that operated only one passenger aircraft. The company, however, uses its three letter designator "MLT" for cargo flights of the Ilyushin of Centrafrican Airlines. Both the general manager of San Air and the general manager of MoldTransavia in Moldova are former employees of Victor Bout's company, Transavia Travel Agency, as they themselves acknowledged when the Panel interviewed them.

276. The Panel has obtained several copies of recent insurance certificates for the Ilyushin. These documents show that the name of San Air, MoldTransavia or Centrafrican are randomly interchangeable. Bank transfers also suggest that the accounts of San Air are used for payments made by Centrafrican and vice versa, again illustrating how Victor Bout and his partners just use different companies to disguise their activities. For instance, while the plane is registered with Centrafrican Airlines in Bangui, it is insured for flights by San Air of the United Arab Emirates. Landing and overflight requests are done by MoldTransavia from an office in Moldova and the flights are conducted under the three-letter designator CET, which is again Centrafrican Airlines. The billing address used for flights is that of Transavia Travel Agency or of San Air.

277. AirCess, the company of Victor Bout's brother, Serguei, also operates from offices in the United Arab Emirates, but the company's registered address is in Equatorial Guinea. Serguei Bout denied any links between him and his brother's companies. Only after the Panel confronted him with his own signature and a $1 million payment from Victor Bout's account to that of his company AirCess, did Serguei Bout acknowledge that he does have an ongoing business relationship with his brother.

278. Mr. Denissenko also claimed to have severed all links with his former employer, Victor Bout. He presented himself as the general manager of San Air and claimed only vague links with Centrafrican Airlines. However, a bank document shows that Denissenko's company San Air paid US$ 20,000 for a contract between a company in the Slovak Republic and Victor Bout's company, Centrafrican Airlines.

The Panel later found documents proving that many of the weapons that went to Liberia through Victor Bout's and Sanjivan Ruprah's network in 2000 and early 2001, were paid for to San Air's bank account No. 01-01-5712572-01 at Standard Chartered Bank in Sharjah.

279. Pavel Igorevich Popov, the General Manager of MoldTransavia told the Panel he had worked for years for Victor Bout as a broker, for the flights of Mr. Bout's companies. When the Panel asked him to produce documentation for some of those flights, Mr. Popov said he never kept any documents. He also had no business address during the days he worked as a broker for Bout. A cellular phone was sufficient. Mr. Popov also refused to clarify the ownership structure of his company, MoldTransavia. However, the Panel obtained documents from the Civil Aviation Authority in Moldova showing Mr. Popov's company is merely a front for Victor Bout's interests.

280. San Air is the owner of the MoldTransavia plane that Mr. Popov operated. The Panel also gathered documents in Moldova, the Slovak Republic and Uganda showing Mr. Popov was personally involved in arms deliveries to Liberia in November 2000 (see sections on Helicopter and machine gun sales to Liberia).

281. Some of the activities of this group of companies include legal passenger and cargo flights, but many of the planes operated by these companies and a wide range of associated companies are for deliveries of weapons or related equipment to war zones and countries under United Nations sanctions. Additionally, many of the planes operated by this group of companies have a track record of illegal registration and document fraud.

The Gambia New Millennium air incident

282. In January 2000, the President of the Central African Republic travelled to the Agenda 2000 summit of African heads of State in Libreville, Gabon. When the presidential delegation arrived in Libreville, they were congratulated for a beautiful aircraft standing at the airport. The plane, an Ilyushin-62, carried the registration number TL-ACL.

283. It also carried the flag of the Central African Republic and "Centrafrican Airlines" was written in bold letters on the plane. The authorities in Gabon thought it was a new acquisition of the Central African Republic's President. The President, however, had never heard of such a plane, and upon inspection it seemed another official delegation from Gambia had arrived in this particular aircraft. Because of the embarrassing situation, an investigation was carried out by the Ministry of Transport and the Prosecutor of the Central African Republic, in cooperation with ASECNA, the African air navigation and safety organization.

284. The investigation discovered two documents that had allowed the plane to operate, a "Temporary" Certificate of Registration and an Airworthiness Certificate. These documents were forged and had been issued and signed by Armand Fulbert Doungovo, the Director of Civil Aviation of the Central African Republic. On 24 January 2000, the investigating authorities ordered the immediate arrest of Mr. Doungovo, Mr. Bout and the local manager of Centrafrican Airlines, Mr. Bouroukine. The Director General of Civil Aviation was ordered to conduct a more thorough investigation, and on 14 February 2000 a Ministerial Decree put an end to all the activities of the company Centrafrican Airlines in the Central African

Republic. The Panel verified that the offices of Centrafrican in Bangui were indeed closed and are now used by the company Sudan Airways. It remains unclear why the other shareholder of Centrafrican, the Belgian pilot Ronal De Smet, who has been a long-time partner of Victor Bout, was not indicted in this case.

285. The Director General of Civil Aviation had earlier tried to obtain information from Director Doungovo on his relationship with Centrafrican Airlines. A letter sent to Doungovo dated 22 June 1999, shows the Director General's suspicion was raised when he discovered that the Director was travelling abroad to negotiate traffic rights as a representative of the company, Centrafrican Airlines. The incident in Gabon, however, had accelerated things.

Massive fraud

286. This investigation showed that Mr. Doungovo and Victor Bout had fabricated airworthiness certificates, air operator permits and certificates of registration for a great number of aircraft. Most of these had earlier been deregistered in the Kingdom of Swaziland, where Victor Bout and his partners had set up a similar scheme. Before that, Mr. Bout's planes had been registered in Liberia.

287. The Gambia New Millennium plane had been bought by a Gambian a few weeks before the Gabon incident. A copy of the sales agreement shows that the seller was Victor Bout, General Manager of Centrafrican Airlines. The buyer was Gambia New Millennium Air, represented by Mr. Baba Jobe. The bank details show that the final beneficiary of the transaction was the holder of an account at the Standard Chartered Bank, Sharjah branch. This account with number 01-5624312-01 is of the Transavia Travel Agency, another company of Victor Bout.

288. The Panel was able to interview Mr. Baba Jobe in Banjul, Gambia, in September 2001. Meanwhile, the aircraft has changed registration and is now legally registered in Gambia. Mr. Jobe, who is a civil servant and close adviser of the Gambian President, denied knowing Victor Bout. He said he had never heard of that man and had dealt with a Mr. Hajazi, a Lebanese citizen who acted as a representative of Libya. The plane was considered a gift to the Gambian President and not to Baba Jobe, nor had the Gambian authorities been aware that the aircraft had been involved in a case of fraud in the Central African Republic. Some suspicion exists on the activities of Mr. Baba Jobe, first of all because the Panel does have a copy of the sales agreement showing both his and Bout's signatures. Also, among Mr. Jobe's acquaintances are Ibrahim Bah, one of the RUF rebels who is very active in the diamond business. Mr. Jobe acknowledged knowing Bah from the time he had been a student in Libya, where many of the RUF were trained before the wars in Liberia and later in Sierra Leone. Mr. Jobe stated that it had been years since he had spoken or seen Ibrahim Bah.

289. The Civil Aviation Authorities in the Central African Republic found many more incidents in connection with the fraudulently registered aircraft of Centrafrican Airlines. In one case, the company had issued a false flight plan. After inspection, it was also found that all the documents authorizing the plane to operate were again false. Also, two helicopters belonging to the company had made emergency landings due to technical problems. Those helicopters, too, were operating on false documentation. These helicopters were, in 2001, operating in the rebel areas in the Democratic Republic of the Congo. A flight log obtained from the Ugandan Civil Aviation Authority shows a landing in Uganda, in November, of a Let-410 aircraft,

with the Liberian registration EL-MLC. The operator was also Centrafrican Airlines. The Panel on Sierra Leone obtained the complete Liberian aircraft registry in November 2000. The helicopter is not among the aircraft on the list, again indicating a fraudulent use of a registration number.

Victor Bout escapes from justice

290. When the authorities in Bangui issued a warrant for the arrest of the Director of Civil Aviation, for the Russian manager of Centrafrican in Bangui and for Victor Bout, Bout was still in the country, but he managed to escape. On 16 June 2000, Doungovo, the director of Civil Aviation was convicted with a year of imprisonment for fraud and forgery. Victor Bout was also charged and convicted in absentia with two years in prison. The Court in Bangui also issued an international arrest warrant for him. But subsequently, on 28 June 2000, Bout was acquitted of the charges. The Panel did not get any information on the circumstances of this acquittal.

291. The Central African Republic's Civil Aviation Authority noted that despite the dissolution of the company Centrafrican Airlines in February 2000, the fraudulently registered aircraft were seen at many airports across Africa and elsewhere. After the investigation had started in Bangui, the offices of the Civil Aviation Authorities had been burgled. Official stamps and documents had disappeared. The Director General of Civil Aviation sent messages to all his colleagues in the African subregion, warning them about the status of Centrafrican Airlines and the planes of the company, but the Panel noticed, during its meetings with Civil Aviation Authorities in more than 30 countries, that few knew about the Central African Republic case. Annex 3 shows some 25 aircraft that were or still are operating illegally but the investigation in Bangui is ongoing and possibly more aircraft are yet to be located and identified.[2]

Equatorial Guinea

292. Equatorial Guinea has been an open registry for the aircraft industry for many years. Open registries, also known as aircraft registers of convenience, are used for commercial and tax reasons. In the arms business, those registers of convenience can be useful, because of the poor oversight of the aircraft and the operator by the country where the aircraft is registered. Most open registries of convenience are in small countries with a limited monitoring capacity and with very little aeronautical activity. The Panel discussed the issue of the open registry with the authorities in Equatorial Guinea. The Civil Aviation Authority is aware of the problem of fraud and abuse of its registry and has appointed a private company to regulate new aircraft registrations and identify irregularities in old registrations.

293. Many countries only register aircraft that use their territory as a regular base. Aircraft that are registered in countries of convenience are hardly ever seen in the country of registration because they keep their maintenance facilities and main operational offices elsewhere. This also creates certain airports of convenience, where many planes are based, flying foreign flags of convenience. The country of

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[2] Since July 2000, after the decision of the court in Bangui, the Ilyushin-76 of Victor Bout, with registration TL-ACU has been seen in Chateauroux (France), Kampala (Uganda), Kigali (Rwanda), Sliac and Bratislava (Slovak Republic), Chisinau (Moldova), Tbilisi (Georgia), Bishkek (Kyrgyzstan), Brazzaville (Congo), Cairo (Egypt), Tripoli (Libya), Monrovia (Liberia) and at its maintenance base in Sharjah and Ras al-Khaimah.

registration is often totally unaware of the operations or whereabouts of these planes.

294. The brother of Victor Bout has his main company AirCess registered in Malabo, Equatorial Guinea. Victor Bout's operating agencies, and those of his partners, still clearly prefer the airports of the United Arab Emirates. There, the General Civil Aviation Authority cooperated with the Panel's investigation and enabled the Panel to meet with Victor Bout's brother, Serguei Bout, and with the commercial manager of Centrafrican Airlines, Serguei Denissenko. Denissenko is also general manager of San Air.[3]

295. In January 2001, the authorities of the United Arab Emirates enacted new aviation legislation that would remove all foreign commercial air transport operators that operate planes registered in countries of convenience from the Air Operator Certificate of the United Arab Emirates. Aircraft that use the United Arab Emirates for commercial air transport operations have to be registered in that country. Exempt are only those aircraft that use the United Arab Emirates for a limited period, which will not exceed one year. These provisions entered into force on 1 January 2001, but the airlines were given a transitional period of one year. On 1 January 2002, aircraft operating agencies that are not registered in the United Arab Emirates will thus no longer be authorized to use that country for their operations. The measure would apply to most of the aircraft of Centrafrican Airlines, San Air and AirCess, the company of Victor Bout's brother.

296. Centrafrican Airlines today still has offices in the United Arab Emirates and so does San Air, which owns some of the aircraft operated by Centrafrican Airlines. The companies recently changed offices and moved from Sharjah to the other Emirate of Ajman in the United Arab Emirates. But Centrafrican Airlines no longer exists in the country where it was established and where it maintains its stated address, at P.O. Box 2760 in Bangui, Central African Republic. Centrafrican was in the process of reregistering some of its aircraft in Equatorial Guinea, during the course of the Panel's investigation. On 10 September 2001, San Air General Trading FZE obtained a new Certificate of Registration for the Ilyushin-76 (TL-ACU) in Equatorial Guinea. The plane now carries the registration number 3C-QRA.

297. The Panel compiled a list of aircraft (annex 3) that were all carrying a tail number or registration number indicating registration in the Central African Republic (type TL-XXX); only three were ever legally registered there. Also included in the table are those aircraft of companies of Victor Bout that have recently shifted their registration to Equatorial Guinea (type 3C-XXX). The table also includes all the aircraft that could be identified to have flown for West Africa Air Services (see the case of the mystery plane EL-ALY). The table also shows the strong links between San Air and Centrafrican Airlines.

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[3] Victor Bout was himself not in the United Arab Emirates when the Panel arrived there, despite an appointment made with a member of the Panel. After one phone call to a mobile phone of Victor Bout, he could no longer be reached. His partners in the United Arab Emirates and elsewhere refused to give the Panel a contact number, despite several attempts made between June and October 2001 to obtain a contact address or number for Victor Bout. The Panel later met with Sanjivan Ruprah who claimed to represent the interests of Victor Bout and that he had Bout's authorization to speak to the Panel.

D. Weapons by land and sea

298. During the Panel's investigations, there were persistent reports of ships to Harper, Greenville, Buchanan and Monrovia unloading weapons. The Panel investigated 105 shipping movements to Monrovia Freeport and Buchanan in 2000 and 2001 but was unable to obtain irrefutable evidence. The persistence of reports makes it plausible that weapons are delivered by sea and this should be a continued area of vigilance.

299. Likewise, there are a number of accounts of trucks carrying weapons from Côte d'Ivoire into Liberia in 2000 and 2001. These trucks either brought weapons from San Pedro or Abidjan or originated from Burkina Faso, according to eyewitness accounts. Refugees from Lofa County reported that two Burkinabe trucks loaded with weapons had been surprised in Voinjama by Liberian dissidents in April.

Recommendations on transportation and arms

300. The Panel considers that the measures taken so far by the Liberian Civil Aviation Authority are adequate and that the Security Council may consider lifting the grounding order imposed by resolution 1343 (2001) and allow Liberia to reopen an aircraft register in coordination with ICAO. Those individual aircraft that were effectively grounded and have provided ICAO and the Security Council Committee on Liberia with the documentation showing their registration in Liberia, was done in accordance with international regulations, should be given permission to restart their operations.

301. The Liberian Civil Aviation Authority should, however, keep the Security Council Committee on Liberia and the International Civil Aviation Organization informed on the follow-up of the investigation and on the registration of every new aircraft on the new Liberian register.

302. In view of the massive fraud with aircraft registrations committed in the Central African Republic, the Panel recommends that the Civil Aviation Authorities there:

- Transmit to Interpol the court documents about Centrafrican Airlines;
- Publish these court documents on the Governments web site;
- Coordinate urgently with Equatorial Guinea and the United Arab Emirates over the use by Centrafrican Airlines of forged documents.

303. The Panel further recommends that the Central African Republic, Equatorial Guinea and other African States affected by this type of fraud coordinate with the African Civil Aviation Commission to put the issue of false registrations as an agenda item for its future meetings. To ICAO, the Panel recommends that:

- It proactively educate its members on the dangers of illegal registrations;
- ICAO's member States computerize their registration lists and centralize them on the ICAO web site so that users could check the situation and status of each aircraft;
- ICAO's Safety Oversight programme should place greater emphasis on aircraft registration.

304. To the United Nations Security Council, the Panel recommends that:

- All the aircraft owned, operated or insured by San Air, Centrafrican Airlines and West Africa Air Services should be grounded immediately. The grounding order could then be lifted gradually for each individual aircraft, provided all the records (ownership of the plane, operator, operating licence, insurance, airworthiness certificate, certificate of registration and the location of the aircraft) are inspected by both the Civil Aviation Authority in the country of registration and in the country where the aircraft has its maintenance base;
- The companies concerned should inform the Council, through the Security Council Committee on Liberia, on the exact status and location of each aircraft. A list of those planes is found in annex 3 to the report.

Recommendations on arms

305. The Panel recommends that:

- The arms embargo on Liberia be extended;
- All United Nations Member States abstain from supplying weapons to the Mano River Union countries;
- An arms embargo be imposed on the armed non-state actors in the three Mano River Union countries (namely the LURD and Ulimo-factions, the RUF and the Guinean armed dissident groups).

306. The Panel also recommends that, for reasons of transparency and confidence-building, the ECOWAS Moratorium on Small Arms should be broadened to an information exchange mechanism for all weapons types procured by the ECOWAS member States. The existing Programme for Coordination and Assistance for Security and Development (PCASED) could be further developed to improve the information exchange on current holdings and future arms procurement of West African States. The Panel recommends that this information exchange would be binding and that both supplier States and the receiving countries would be obliged to report each individual arms transaction to the newly established mechanism and include data on all the parties to the arms transactions, including the names and companies of the brokers and the transport agents.

Recommendation on end-user certificates

307. The Panel recommends that each Member State that has procured or supplied arms on the basis of an end-user certificate mentioning the companies Pecos, Joy Slovakia and/or Morse or the individuals Peter Jusko, Alexander Islamov, Jacob Berger, Andreï Izdebski or Serguei Schwabenland, conduct a thorough investigation on the actual delivery and end-use of the arms. The Panel recommends that the member States involved in any such transactions inform the other State, party to these transactions and inform the Security Council Committees on Sierra Leone and Liberia on the findings of their investigation.

308. The Panel urgently recommends the establishment of a United Nations working group to develop the modalities for a standardized end-user certificate that would include the name, address and telephone number of the signing authority for the Certificate, and name, address, telephone number and arms trading licence of the broker(s) involved.

Part III
Sources of revenue and government expenditure

Government expenditure

309. The Panel examined the sources and management of government funds in an effort to establish the financing behind sanctions-busting. The principal source of revenue for these activities between 1999 and 2001 was off-budget spending that was not part of regular government expenditures. This was also the preferred method to finance the war in Lofa.

310. According to President Taylor, US$ 15 million was diverted from the US$ 73 million budget for the 2000/01 fiscal year (July to June) to meet the costs of the war in Lofa in December 2000. This sum was deducted from the designated Spending for the Special Government Commitment (under the Executive Mansion control) and increased substantially in the last six months of 2000, relative to the first six months, from US$ 9.1 million to US$ 16.83 million or by 84.5 per cent. Most of this increased expenditure was for defence. This extrabudgetary spending significantly disrupted the Government's medium-term economic strategy.

311. The total revenue for the Government in 2000 was approximately US$ 85.8 million. The principal budgetary allocation (chart 1) under the 2000-2001 budget was for General Administrative Services (41.0 per cent), followed by Government Special Commitment projects (34.0 per cent), and Social and Community Services (22.0 per cent). However, the Economist Intelligence Unit reported that there were extrabudgetary expenditures of approximately US$ 73,000 in December 2000 for helicopter repairs and Christmas presents for the President's family and friends. The Ministry of Finance informed the Panel that the National Budget for the year 2001-2002 was approximately the same as the previous year.

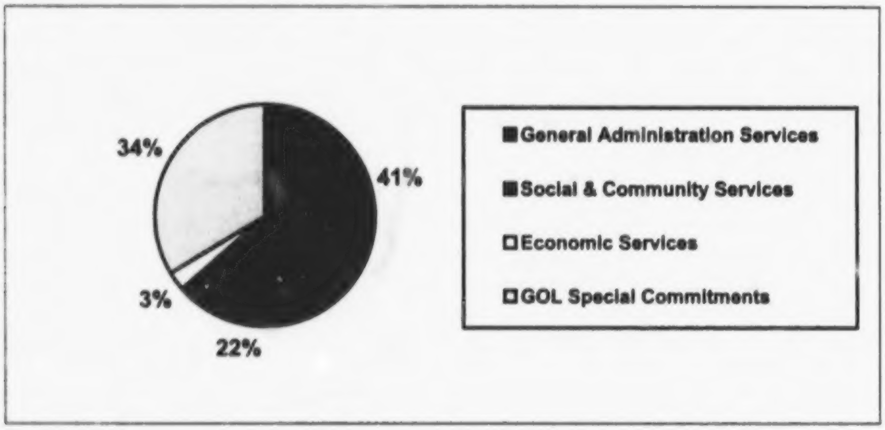

Chart 1: Percentage distribution of the national budget, 2000-2001

312. Government spending in 2000 increased by approximately US$ 24 million over 1999 from US$ 66.50 million (1999) to US$ 90.53 million (2000). However, expenditures exceeded revenues by 6.1 per cent (US$ 5.23 million), according to the Central Bank.

313. The total expenditure for the first quarter of 2001 increased by 12.2 per cent over the same period in 2000. The prime reason for this increase was defence expenditures due to the war in Lofa County.

314. The International Monetary Fund expressed serious concerns about off-budget expenditures in its Staff Monitored Programme assessment from January to June 2000. The IMF recorded that extrabudgetary expenditures of US$ 9.3 million during the first half of 2000 and that "expenditure by the Office of the President represented 28 per cent of total". Purchases of goods and services amounted to 21 per cent of total expenditure (25 per cent of current expenditure). While detailed data was not provided to the IMF, the authorities indicated that these expenditures were largely related to presidential and security priorities. These expenditures also included road rehabilitation for the timber concessions on behalf of government (US$ 3 million in the first half of 2000).

315. These expenditures occurred outside the budget process through the allocation of revenue at the source rather than through the Central Bank. According to the IMF "certain timber concessions, government parastatals, and revenue collection agencies undertook expenditure on behalf of government, that was later recorded as 'non cash' revenue with an offsetting outlay on goods and services". This appears to be how sanctions-busting, namely for procurement of weapons and ammunition, was financed as this report will demonstrate below.

Depreciation of the Liberian dollar

316. This year, the Liberian dollar has been performing poorly against the United States dollar. According to statistics from the Central Bank, the average exchange rate in the first quarter of 2001 was L$ 44.64:US$ 1. By September, the rate had worsened, to around L$ 52:US$ 1. Since the Liberian dollar lost its fixed official parity with the US dollar in 1998, its quarterly average exchange value had never fallen above L$ 44:US$ 1 (only in September and October 1998 did the monthly average reach that rate).

317. According to the Central Bank, United Nations sanctions are exclusively blamed for eroding confidence in the Liberian dollar and contributing to the devaluation of the currency. Independent assessments by the Economist Intelligence Unit indicate that other factors may have contributed such as the "behaviour of local (mainly Lebanese) traders, who are reported to be hoarding US dollars and refusing to do business in the local currency, has probably led to the US dollarization of parts of the economy".

Recommendations on Liberian government expenditure

318. The Panel recommends that: The practice of allocating revenues at source for priority expenditure should be eliminated. All revenues should be consolidated in a central government account at the Central Bank of Liberia before being allocated to authorized agencies for approved expenditures.

Sources of revenue: the structure of Liberia's key industries

319. Liberia's agricultural sector (including forestry) comprises 72.7 per cent of estimated real GDP. Logging and rubber production are the main sources of foreign exchange for the Government. Mining contributed to about 2.0 per cent of GDP in 2001, even though the mining sector has not recovered since the civil war following the closure of the iron ore mining companies. There has also not been a sustained investment in gold and diamond mining, though there was some limited investment in 1998 and in 2000.

Table 2
Liberia: gross domestic product by sector
(in L$ m)

	1999	*2000*[a]	*2001*[b]
Agriculture	236.0	241.9	246.7
Forestry	76.7	79.0	81.4
Mining	8.6	8.7	8.9
Manufacturing	18.7	21.1	23.2
Services	72.2	85.2	95.4

Source: Ministry of Planning and Economic Affairs.
[a] Estimates.
[b] Forecasts.

The main sources of revenue for government finance since 1999 are shown in table 3.

Table 3
Liberia: government finance
(US$ million)

Year	*1999*	*2000*			*2001*
	Total	*Jan-June*	*July-Dec*	*Total*	*Jan-Feb*
Revenue	65.5	40.1	45.3	85.4	9.3
Customs/excise	20.4	15.1	9.0	24.1	3.3
Direct taxes	15	7.4	8.3	15.7	1.9
Indirect taxes	7.1	3.5	4.0	7.5	1.7
Forestry Development Agency	1.7	3.0	3.7	6.7	0.2
Petroleum sales levy	6.1	4.3	2.8	7.1	1.1
Maritime	15.2	4.8	13.2	18.0	0.5
Grants	-	2.0	4.3	6.3	0.6
Expenditure	66.5	43.9	46.6	90.5	11.0
Deficit	1.0	3.8	1.3	5.1	1.7
% of revenue	1.5	9.5	2.9	6.0	18.3

Source: Central Bank; Ministry of Finance; Economist Intelligence Unit.

Rubber

320. The agricultural sector (including forestry), which represents 72.2 per cent of real GDP, continues to serve as the major source of growth in the economy. Logging and rubber production are the major foreign exchange earners for the Government. Rubber production grew in 1999 to 62,705 metric tons (valued at US$ 33.3 million) from 48,916 metric tons (valued at US$ 28.9 million) in 1998. In 2000, production rose to 102,412 metric tons valued at US$ 53.2 million. During the first quarter of 2001, a total of 27,567 metric tons of rubber were produced compared to 16,617 metric tons produced during the first quarter of 2000. Rubber tends to be relatively well controlled by foreign investors, most notably Firestone and the Liberian Agricultural Company because of the structure of the plantations and the need for long-term collection/processing investment. Rubber is a less easy source for "at source" off-budget expenditures, although once the profits enter the government accounts there is no guarantee on how they are used.

Logging

321. The Liberian Timber Association estimates that the Liberian forest covers about 4.8 million hectares. This forest in 1978 was estimated to contain 81.3 million cubic metres of merchantable species which could permit felling of 3.2 million cubic metres annually on a twenty-five year felling cycle. Total round log production in 2000 rose to 934,066 cubic metres, representing an increase of 178.4 per cent over 1999 output. Round log exports during 2000 grew to 934,066 cubic metres with a value of US$ 60.9 million. Between January and June 2001, round log production reached 679,253 cubic metres (valued at US$ 46.2 million). These figures are likely to underestimate real exports by 50 to 200 per cent because of tax evasion by companies and widespread corruption.

322. Logging has long been one of the prime sources of government revenue. During the 1989-1996 civil war, timber provided Charles Taylor and his NPFL rebels their main independent source of revenue. Logging is still today the mainstay of export earnings for the Government.

Table 4
Volume, value production and export

	1999	*2000*	*2001 (up to June)*
Production volume	334,273 m^3	896,586 m^3	659,271 m^3
Export volume	188,944 m^3	626,657 m^3	494,478 m^3
FOB value (US$)	**21,099,959**	**68,137,065**	**50,541,617**

Source: FDA.

323. In addition to the above, figures must be added for exports through San Pedro in Côte d'Ivoire. In 1999, these were 27,653 m^3 in volume of logs of which 17,067 m^3 was recorded as exported volume. These figures rose in 2000 to 60,805 m^3, resulting in 49,218 m^3 of exported volume. This represented 7.9 per cent of the volume directly exported from Liberia.

324. Because of the decline in price of the last couple of years of m^3 FOB and taking account of the export of secondary species to China, the Panel estimated that the FOB exports should be around US$ 75 million in 2001. The three main destinations in the first six months of 2000 were China (46.6 per cent), France (17.9 per cent) and Italy (9.3 per cent).

325. Timber production and exports are an important source of revenue for the Government, contributing officially about US$ 6.7 million in official tax revenue in 2000, according to the National Bank of Liberia. The Forestry Development Agency has a higher figure of US$ 13,203,514 in its semi-annual report for 2000. The Panel's own estimate, given on figures provided by the industry, is that Liberia's timber industry should today provide just under US$ 25 million [based on 30 per cent of total value exported by Oriental Timber Corporation (secondary species) and 45 per cent for other exports] in taxation for the Government.

326. Taxes gained for forest activities are as follows:

- severance fees: US$ 1.50/m^3
- reforestation fee: US$ 3.00/m^3
- conservation fee: US$ 1.50/m^3 to US$ 3.00m^3 depending on species
- forest search fee: US$ 0.50/m^3
- export taxes: US$ 0.40/m^3 to 30.60m^3 depending on species
- industrialization incentive: US$ 1.44/m^3 to 58.56/m^3
- land rental fee: US$ 0.50/acre whatever the volume is cut

327. The total amount of taxes paid by loggers is approximately 30 per cent to 45 per cent of the FOB value depending on the timber species, the size of concession and the volume cut. In order to make an estimate of total annual taxes paid to government (if these taxes are normally paid), a calculation of 30 per cent of the total value exported by OTC (secondary species) and 45 per cent for the other exports would yield this result:

- OTC FOB value export: 30% x 38,471,329 = US$ 11,541,398
- Other Loggers: 45% x 29,665,735 = US$ 13,349,580

Total **US$ 24,890,978**

328. This is only an estimate because some companies do not or cannot afford to pay the taxes. OTC, for example, has been given certain tax exemptions such as reforestation and for road building. Some other taxes also do not appear in government figures. For example, OTC pays the National Port Authority (NPA) US$ 1 million a year for the use of Buchanan port: but this payment does not appear in the NPA's accounts. OTC should have paid approximately US$ 12 million in taxes in 2000 but coincidentally it claimed to have a US$ 12 million loss in 2000. The Central Bank of Liberia assessments of final tax figures derived from timber from paper work submitted by each logging company's production compared with the FDA (Forestry Development Agency) figures suggest a significant diversion of the timber revenue for extrabudgetary activities.

329. President Taylor has taken a personal interest in the allocation of timber concessions. In January 2000, a new National Forestry Law declared that all forest resources are the property of the Government except for communal and privately owned forest resources that have been developed through artificial regeneration. On 1 July 2000, the Liberian Government issued Executive Order No. 4 "restricting the Ministry of Finance to the collection of 50 per cent of all Land Rental Fees and 98 per cent of all Stumpage fees". The FDA was mandated to collect the balance. However, the FDA noted that they only collect a small portion of the funds that they are supposed to receive.

330. The Forestry Development Authority was also empowered to rescind many logging concessions and salvage permits unilaterally. New concessions require final approval by the President of the Republic. During the 1999-2000 season, many authorized concessionaires continued logging but without assurances that they would be allowed to retain their concessions. This uncertainty encouraged rapid cutting and profiteering, without concern for sustainable forestry practices in order to maximize profits in anticipation of losing concessions.

331. Several Spanish and French enterprises lost their concessions to the United Logging Company, managed by Mr. Fawaz and President Taylor's son as chairman. President Taylor has also revoked concessions of the VH Timber Companies giving them to the United Logging Company and to the Mohammed Group. President Taylor is seeking to have the timber industry dominated by a few mega-concessions. In early 1999, a Russian group sought a concession but the plans quickly collapsed. Shimmer International, a subsidiary of the Malaysian giant, Rimbunan Hijau, also declined to invest in a Lofa County mega-concession because of security concerns.

332. The President aspires to create two mega-concessions in addition to the one operated by the Oriental Timber Company (OTC). However, it has been difficult for him to find investors that are able to develop such large-scale concessions.

The main logging operations in Liberia

Oriental Timber Company (OTC)

333. The Chairman is Dutch national Gus Kouwenhoven, a close friend of Charles Taylor, who managed logging operations for him through rebel-controlled Buchanan in the early 1990s. In July 1999, OTC was granted a 1.24 million hectares concession in the south-east of the country, and then because of the poor quality of the species in the concession, a second one, further north in the primeval forest, taking the total concession to 1.6 million hectares. According to the FDA, this represents about 42 per cent of Liberia's total productive forests.

334. OTC is linked to the Hong Kong-based Global Star Holdings, which is part of the Djan Djajanti group of Indonesia, with offices in Singapore and Hong Kong and major investments in Indonesia and China. Djan Djajanti has taken responsibility for 70 per cent of the capital investment of the concession. Gus Kouwenhoven remains the chairman although he owns, according to documentation he showed the Panel, only 30 per cent of the capital and Joseph Wong Kiia Tai, son of Djajanti's chairman, was made the manager. The Djajanti group has invested some US$ 110 million in the project. President Taylor has publicly defended OTC calling it his "pepper bush", a Liberian phrase for something important and personal.

Royal Timber Company (RTC)

335. RTC is the second largest timber operation in Liberia, with three distinct concessions in the western part of the country, totalling 370,000 hectares. It is also run by Gus Kouwenhoven and exported 8654.122 m^3 (FOB value US$ 990,785.08) in the first six months of 2000.

Mohammed Group Companies

336. They exported 26,482 m^3 in 2000, with concessions in Nimba and Grand Gedeh (the Salami Molowi Inc (SMI) and Bureaux Ivorian Ngorian (BIN)). This company is owned by Mohammed Salamé, a Liberian "ambassador-at-large", based in Côte d'Ivoire, who has been involved in assisting sanctions-busting arms transfers to Liberia. Much of BIN's production is exported through the port of San Pedro in Côte d'Ivoire.

Inland Group

337. The Inland Logging Company is managed by Maurice and Oscar Cooper, both long-term associates of President Taylor. Like Kouwenhoven, the company's roots go back to the 1990s when they extracted and exported timber for the NPFL rebels during the war. It has a 300,000 acre concession in the south-east of the country. Logs are being sold exclusively through a Swiss company to France and Turkey. The company reports that it exported 19,815 m^3 of logs in 2000, but there are indications that this figure should be much higher, around 50,000 m^3. The ILC also maintains a private militia in Sinoe County and manages the port of Greenville.

Forest Hill Company

338. This company has a 300,000 acre concession in Lofa County where it fells only Niangon, and sells it exclusively to France through Interwood. The company's Chairman is Victor Haikal, whose commercial operations have been badly impacted by the war in Lofa County.

VH Timber Companies

339. This group is owned by Victor Hanning and has a concession of 163,200 hectares in Lofa and Cape Mount Counties. He has also invested more than US$ 800,000 in a sawmill in Monrovia, which currently produces in two shifts about 70 m^3 of Niangon timber per day. He exported 10,000 m^3 of round logs in 2000.

Liberia Wood Management Company

340. This company runs a concession about 100 km north of Monrovia. The company does logging and sawmilling and is owned by Rudolph J. Merab and Victor Hannig. The company exported around 13,000 m^3 in 2000. Export volumes on cargo manifests for 2001 suggest a similar volume for this year. In late August, rebels attacked the concession base, badly destroying property and assets, including houses and a school for the workers. The attack was claimed by the rebels of LURD and a spokesman for LURD said they had targeted the company to discourage them from doing business with President Taylor.

Maryland Wood Processing Industry and United Logging Company

341. This is the second best exporter of timber in 2000. The company is owned by Mr. Fawaz, who owns also the United Logging Company. It has concessions in the north-east of the country in Grand Gedeh and River Gee. In 2000, these two companies exported 83,781 m^3, 13.4 per cent of the total volume exported by Liberia.

342. A number of the timber companies complained to the Panel that making a profit currently in Liberia is difficult, except for the mega-concessions that are engaged in non-selective felling and processing massive volumes of round logs. Limited wood-processing capacity, logjams in France at sawmills because of large volumes of round logs and the difficulty in attracting new investors to Liberia, were all blamed for these difficulties. They complain of excessive taxation and difficult operating conditions, making it impossible even to fell and sell timber up to their FDA 4 per cent quota. Presidential favour is an important ingredient in cutting operational costs. OTC, RTC and the Inland Group are known to have obtained tax waivers for fuel purchases as a result of their close connections to the President.

Wood processing

343. According to FDA rules, 25 per cent of the volume of logs felled should be sawn in the country. This rule is not respected because of the volume of round logs exported by OTC to China and because of the limited number of sawmills in Liberia.

344. Prior to the 1989-1996 war, there were 18 sawmills, 3 veneering and plywood factories, 6 dry kilns and 3 wood-processing factories and domestic timber production surpassed log exports in timber volume. Today, there are only 12 operational sawmills and these do not have the capacity to process the volume of logs felled. The OTC plywood factory is scheduled to start production in late 2001 or early 2002. Sawn timber production is on the increase. In 1999, it increased to 22,746 cubic metres which represented 1,802.4 per cent rise over the 1998 output level. In 2000, it rose again to 224,824 cubic metres. However, in the first quarter of 2001, there has been a 25.8 per cent decline when compared with the previous quarter due to a clampdown by the FDA on pit-sawing and the impact on logging establishments in Lofa County.

345. The World Trade Organization (WTO) currently advises all countries to ban unprocessed log exportation beyond the end of 2000. Liberia urgently needs to phase out this trade and invest in wood-processing facilities. This would enhance the value of timber exported from Liberia, slow felling down and provide additional employment. It would also make production and exporting easier to monitor. The Taylor government has announced since 1998, a gradual prohibition on the export of round logs as a policy guideline but no legislation on the issue has been enacted yet.

The timber industry and violation of sanctions

346. Some of the timber companies have violated the sanctions against Liberia. One prominent example of this was Exotic Tropical and Timber Enterprises (ETTE), a company set up by Leonid Minin and his partners Vadim Semov and Fernando Robleda. The document (S/2000/1195) described how Minin's private jet was used to ship weapons from Niger and from Burkina Faso to Liberia in March 1999. Just

before his arrest, Minin was involved in setting up other arms deals for Liberia. Minin was arrested in Italy on 5 August 2000. He had in his possession a great number of documents showing his involvement in timber but also in the arms shipments to Liberia.

347. The Panel had access to this documentation. Among more than 1,500 documents seized from Minin, there were a number of maps showing that he was negotiating the possibilities for a mega-concession in the north-west of Liberia, comprising the Lofa war zone. The Panel was not interested in the details of Minin's failure in Liberia's timber business, where he finally had to sell his equipment and assets to a company of his partner of Forum Liberia, a Spanish-owned company. The case was only of interest to the Panel because of the link to violations of the arms embargo.

348. In the weeks before his arrest, Minin was planning the delivery of huge quantities of small arms and ammunition to Liberia, via Côte d'Ivoire. A first consignment was shipped to Côte d'Ivoire in July 2000 and then diverted to Liberia by means of an Ilyushin-18 that was leased by Liberian government officials in a deal with a Moldovan company and the arms dealer, Sanjivan Ruprah. Minin claimed, in an interview with the Panel, that Liberian ambassador-at-large Mohammed Salamé and his brother Yussuf were key to the Ivorian part of the operation. The Panel made several attempts to confront Ambassador Salamé in Abidjan with these allegations. He could finally be reached over telephone after the Panel had left Côte d'Ivoire and he denied his involvement. He said his only business was timber. However, General Gueï, who signed the end-user certificate for the weapons, Minin, who organized and financed it, and Sanjivan Ruprah, all confirmed that Mohammed Salamé had played a key role in the diversion of the weapons to Liberia. The case is described in detail in the section on violations of the arms embargo.

349. The Panel has received a bank document which indicates that a payment for weapons delivery was made directly from the Singapore accounts of the company, Borneo Jaya Pte Ltd, a mother company of OTC. This document shows transfer of US$ 500,000 to the arms trafficking company San Air (one of the companies of Victor Bout) through Sanjivan Ruprah, paid by order of Dato Seri Bong Uray on 26 August 1999 using Chase Manhattan Bank N.Y.

Recommendations on logging and wood processing

350. The Government should reach agreement with the International Monetary Fund over the commissioning of an independent detailed report on revenue from the timber concessions for the January 2001-July 2002 period, including exemptions and tax offsets for government-related expenditures during this period; that the United Nations should impose a ban on all round log exports from Liberia from July 2002 and strongly encourage local operators to diversify into wood processing before that date.

Diamonds

351. The Panel examined Liberia's diamond industry because it is another crucial source of natural resource revenue for the Government. Liberia's own official diamond exports were said to be only 8,500 carats in 1999, valued at US$ 900,000. Liberia's Minister of Lands, Mines and Energy estimates that this represents only 10

to 15 per cent of what is actually leaving the country. This is a far cry from the late 1970s when Liberia's production and export averaged at half a million carats with 70 per cent of gem quality. All of Liberia's production is currently artisanal alluvial although a Canadian company, the Mano River Resources, Inc. is engaged in kimberlite diamond exploration in Western Liberia.

352. In 2000, diamond production increased to 22,112 carats, representing a 162.1 per cent rise over 1999. In the first quarter of 2001, diamond output increased by 78.5 per cent to 3,885 carats when compared to the output of 2,177 carats for the corresponding quarter of 2000. However, there was a 27.5 decline in output compared with the last quarter of 2000, directly related to the introduction of the sanctions on the diamond trade. Since May 2001, after sanctions on Liberian diamonds were imposed, there has been no official export of diamonds from Liberia, and Central Bank statistics indicate no transactions at all.

353. Sanctions were imposed on the export of Liberian rough diamonds following the conclusions of the report (S/2000/1195). This report illustrated how diamonds far in the excess of the quality or quantity available in Liberia had been imported into Belgium. Invoices from "Liberian" firms — none on the list of licences provided by the Liberian Government — accompanied Belgian import licences. In 1999, official Liberian exports grew slightly to 8,500 carats, at an average value of US$ 105 per carat. "Liberian" imports into Belgium declined to 1.75 million carats, but the stated value increased to US$ 247 million, or US$ 140 per carat.

354. Most of these diamonds were illicit diamonds from other countries, taking advantage of Liberia's involvement in the illicit diamond trade, its inability or unwillingness to monitor the use of its name internationally and the ability to use the corporate registry as camouflage. The larger illicit trade provided Liberia with a convenient cover for the export of conflict diamonds from Sierra Leone although many of the so-called "Liberian" production emanated from other sources (most notably Russia), and was falsely declared "Liberian" for tax purposes.

355. With the entry into force of Security Council resolution 1343 (2001), the Government of Liberia indicated that it would comply with the ban. President Taylor wrote to the Secretary-General in a letter dated 22 March 2001, stating "A ban has been placed on the entry into Liberia of all uncertified rough diamonds from countries with certification regimes; a ban has also been placed on the export of all rough diamonds from Liberia for a period of 120 days, and pending the establishment of an internationally acceptable and transparent certification regime in Liberia." The three official diamond exporters in Monrovia were written to on 10 May by the Acting Minister of Mines emphasizing that "We further would like to inform you that during the period of this sanction, there will be absolutely no export of diamonds from Liberia until otherwise decided by the United Nations." The Government also placed Mineral Inspectors into the buying offices in Monrovia to monitor and keep record of daily diamond purchases on the internal market. These inspectors also ensured that the diamonds were only bought from legitimate diamond miners or brokers and were also tasked to certify that the Reporting Forms provided to the Dealers by the Ministry were filled in daily and correctly.

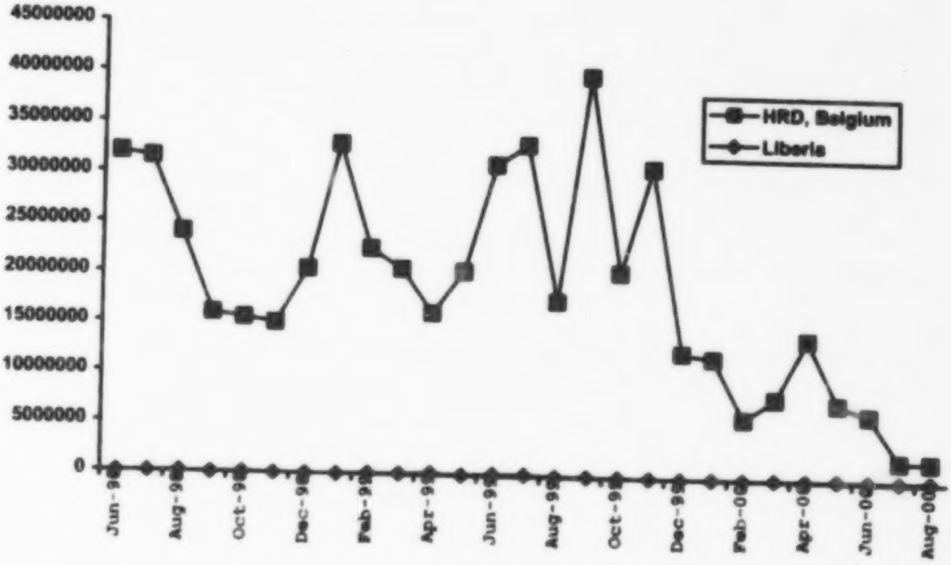

Chart 2: Diamond Export Statistics (June 1998-August 2000) showing actual Liberian diamond export versus diamond export reported by the Diamond High Council (HRD), Belgium.

356. There are currently three diamond dealers/exporters in Liberia in 2001:

- MARS Diamonds;
- The Empire Diamond Company;
- Diandorra Minerals.

In addition to these exporters, there are 12 recognized diamond brokers and 10 diamond broker agents. Liberia has 20 Diamond Mining Districts, 12 of them are all located in western Liberia, neighbouring Sierra Leone.[4]

357. The exporters reported to the Panel that these inspectors had frightened off their trade which was based on discretion. Many of their clients were fearful of entering their offices when inspectors might be nearby. The sanctions had also resulted in a cash flow crisis because they could not export diamonds, they could not get fresh cash injections to reinvest in ongoing mining. Diamond miners and brokers also complained to the Panel that they no longer got the support of rice and equipment from their sponsors, and the exporters. There is no doubt that the

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[4] 1. Gondorjah Mining District; 2. Kumgbor Mining District; 3. Gbarma Mining District; 4. Weasua Mining District; 5. Camp Freeman District; 6. Bongoma Mining District; 7. Mecca Mining District; 8. Camp Alpha Mining District; 9. Boakai Camp Mining; 10. Camp Freeman Mining Agency; 11. Lower Cape Mount Mining Agency; 12. Smith Camp Mining Agency; 13. Tiapa Mining Agency; 14. Monsterrado Mining Agency; 15. Kolahun Mining Agency; 16. Monsterrado County; 17. Gibi/Kakata Mining District; 18. Sanniquellie Mining District; 19. Bahn Mining District; 20. Butuo Mining District.

artisanal trade in rough has been impacted by the embargo providing additional hardship to those who seek to make a living out of this sector. Some miners and brokers had tried to diversify into alluvial gold, but low world gold prices until after the events of 11 September in the United States made this unattractive. The artisanal trade is a significant employer in Liberia, some estimated 20,000 to 30,000 people in the rural areas are dependent on the trade.

358. The imposition of an embargo on the export of Liberian rough, coupled with progress in the peace process in Sierra Leone, has resulted in a marked decline of diamonds labelled as "Liberian" reaching international markets. There have been no imports from Liberia recorded in Antwerp since the imposition of the sanctions.

Table 5
Rough diamond imports from West African countries as recorded by HRD Belgium

	2000		*2001 (till August)*	
	1 000 ct	*BEF million*	*1 000 ct*	*BEF million*
Sierra Leone	82	560	121	665
Côte d'Ivoire	398	2 514	349	1 359
Guinea	796	6 514	567	4 344
Gambia	140	863	[illegible]	280
Liberia	413	2 904	8.7	61

Source: Ministry of Economic Affairs, Belgium.

359. The embargo has created a different problem. Since it is impossible to sell Liberian rough officially, dealers and brokers are seeking to camouflage their Liberian diamonds as those from neighbouring countries markets. The Chairman of the Diamond Dealers of Liberia admitted to have had Liberian diamonds he had tried to sell in Freetown rejected by an evaluator. However, he admitted that smuggling of Liberian rough regularly occurred with stones that could be passed as Sierra Leonean or Ivorian being put in mixed parcels to avoid detection; those that were too distinctive were smuggled to other West African countries before being exported to Europe.

360. There is no doubt that despite the official efforts of the Liberian Government, smuggling with and without official knowledge continues from Liberia. Neighbouring countries are also more attractive for smuggling as they command better prices per carat and less harassment and diversion by officials of profits.

361. The Panel itself verified ongoing smuggling of Liberian rough to Sierra Leone and Côte d'Ivoire. In Bo, Sierra Leone, a dealer interviewed by the Panel specialized in buying Liberian rough. The dealer, a Sierra Leone national, had lived many years in Liberia and his Liberian brokers travelled from Liberia via Zimmi to Bo to trade with him. He claimed that the Sierra Leone Certificate of Origin scheme made it easier for him to launder Liberian rough, rather than having to go through complicated smuggling efforts through other West African countries. Since the Sierra Leone Army deployed in Zimmi in early September 2001 there had,

according to this dealer, been a significant decline in the rough he was receiving from Liberia.

362. Diamonds from Nimba County in Liberia are smuggled out via Danane to Abidjan in Côte d'Ivoire. The Panel was told of three dealers in Abidjan that had become specialists in laundering Liberian rough since the diamond embargo entered into force in May. Investigations by the Panel confirmed that two dealers operated through the Hotel Ivoire in Abidjan, using a Lebanese middleman who carried the parcels from Monrovia.

363. Liberian rough also appears to have been smuggled out of Lofa County to Guinea. Rebel LURD supporters admitted to the Panel that they had seized diamonds during their operations in Lofa County and had sold them to Guinean brokers in Conakry.

364. The issue of so-called "Gambian" diamonds continues to remain a matter of concern. Gambia, a non-diamond producing country, continues to figure as a source of diamonds in markets like Antwerp. Investigations by this Panel found dealers in Liberia and Sierra Leone travelling regularly to Banjul. Despite this trade, the Gambian authorities insisted that they have never had any record of an official diamond transaction through Gambia nor a smuggling incident on its territory.

365. In Liberia, uncorroborated stories refer to high-level go-betweens, senior government officials, and financial transactions made on behalf of President Taylor. Several individuals linked to the diamond trade complained that although the artisanal trade was suffering from the embargo, President Taylor and his senior officials sponsored ongoing diamond production and had special arrangements for the export of high value stones. One Lebanese businessman, who had for many years worked in the diamond trade in central Africa, claimed that he could not enter the diamond trade in Liberia because any high-quality operation was controlled by President Taylor. He has since entered into the timber business, which he claimed was less in the grip of the Executive Mansion.

366. Diamonds feature prominently as an interest of people associated with the Bureau of Maritime Affairs. This has been dealt in detail under "Maritime and Corporate Registry".

367. Sanjivan Ruprah's role in sanctions-busting to Liberia through the Bureau of Maritime Affairs was already described in the report (S/2000/1195). Ruprah is also involved in the diamond business and he told the Panel he had interests in a diamond mine in Liberia, the Liberian Diamond Mining Corporation. Carlos Alberto La Plaine, a Portuguese associate of Sanjivan Ruprah, assisted several sanctions-busting flights to Monrovia: on his immigration card in Uganda, where one of the arms trafficking planes was stopped, he gave his profession as "diamond dealer".

368. When Leonid Minin was arrested in Italy, he had in his possession a significant quantity of polished and rough diamonds valued at around US$ 500,000. In the documents seized by Police from Minin at the time of his arrest, documents of a Mauritian diamond company called Black Stella Diamonds and letters showing Minin's attempts to set up a diamond-exporting chain from West Africa, through a polishing plant in Mauritius to Russia and China, were also found. Minin's office in Liberia also had diamond weighing equipment in it.

369. RUF ex-combatants talk of having brought diamonds to Liberia for President Taylor but admit this practice has declined. Several RUF officials said Ibrahim Bah, operating from Burkina Faso, has continued to obtain diamonds from senior RUF figures, including from General Sesay and these are then smuggled via Liberia or Côte d'Ivoire to Europe.

Diamonds and the RUF

370. The Panel also observed a steep increase in trade of diamonds mined by RUF through Freetown. Many of these stones passed through Makeni from the Kono fields but lesser numbers reached dealers in Kenama and Bo before entering the official system. Approximately half of Sierra Leone's total production comes from the Kono/Koidu district. The main interest of Freetown traders is Koidu, the capital of the Kono diamond fields. The city is ruined, but diamond digging continues apace, even undermining the foundations of the ruined buildings in the town. The traders bring in diesel, petrol, soap, rice, second-hand clothes and other consumer goods in return for diamonds, cassava and mangoes. RUF maintains a firm grip of all high-value stones and all diggers are taxed by the former rebels. The traders then sell the stones they have bought to licensed dealers in Sierra Leone or smuggle the stones to elsewhere in West Africa. A large number of these traders are from Mali or Gambia. There are indications that RUF collects millions of dollars a year, through taxation of the diamond trade and direct sales to smugglers of these diamonds, even though they often sell stones to smugglers at a discount.

371. In early July 2001, at the Third Tripartite Meeting of the Government, RUF and UNAMSIL, RUF and the state-backed civil militia Civil Defence Force (CDF) agreed to a moratorium of diamond mining in Kono under UNAMSIL supervision. But this ban immediately failed, ignored by all. When UNAMSIL attempted to implement the ban in Koidu, local residents protested, demanding to know how they should now make their living without diamond revenue and there has been no further attempt in Koidu to implement the agreement.

372. When police raided a premise of a Lebanese businessman suspected in illicit diamond trade in August 2000, they were surprised to find RUF spokesman Gibril Massaquoi present, with a bag containing at least US$ 15,000. Papers confiscated at the house indicated that Bassem Mohamed, code named "Shark" by RUF had been organizing diamond deals. One paper showed he was organizing payment to Emmanuel Shallop/Mirib Shallop of Belgium for washing plants and batteries. Shallops, according to the documents, were to be paid through a bank in Geneva, Switzerland. In another incident, in July 2001, Massaquoi testified to police in a complaint about being defrauded that during a deal to obtain 69 vehicles for RUF he had provided an individual US$ 110,000 in cash and 2,600 carats of gold. Both incidents indicate that RUF is not short of ready cash, its origin mostly from the diamond trade.

373. Following the imposition of a diamond embargo on Liberia, the closure of the border till September 2001 and the war in Lofa County, little diamond trade now passes through to Liberia from Sierra Leone. This shift in trade pattern is reflected also in the dramatic decline in so-called "Liberian" rough entering markets like Antwerp and a steep decline in the number of diamonds passing through Monrovia. The pressures on other revenue sources in Liberia for Executive Mansion extrabudgetary expenditure demonstrates once again the importance that diamonds

had played over the last few years for President Taylor. Because of the loosening of President Taylor's grip on the Kono/Koidu diamond trade, the RUF axis has switched to increasing trade through Sierra Leone.

Certificate of Origin schemes

Sierra Leone

374. The adoption of United Nations Security Council resolution 1306 (2000) on 5 July 2000, resulted in a ban on the import of rough diamonds from Sierra Leone except those authorized with a Certificate of Origin from the Sierra Leonean Government.

375. Following a trilateral mission of the United Kingdom, the United States and Belgium in July 2000, the Certificate of Origin Monitoring System was set up for imports of rough diamonds from Sierra Leone under United Nations Security Council resolution 1306 (2000). The certification regime was approved by the Security Council on 6 October 2000 and became operational from 27 October 2000.

376. The Certificate of Origin regime consists of a specifically designed tamperproof printed Certificate of Origin, in combination with a set of rules that forms the export and import procedure. According to the Government "Under the system only diamonds that are legally mined are allowed to be exported. Legally mined means that they come only from areas under the control of the Government of Sierra Leone, and are the product of a chain of legally authorized transactions, from use of land, permission to mine, purchase by authorized dealers and agents, and export by licensed exporters". The Government of Sierra Leone has set up a Cabinet subcommittee to monitor all diamond exports, oversee the implementation of Security Council resolution 1306 (2000) and report to the Cabinet periodically.

377. The Government reports that the system is working reasonably well. The volume of exports and particularly the quality of stones entering the system has improved, providing important tax revenue to central government.

378. During its investigations in Sierra Leone, the Panel observed that although this system was working, there was no doubt that smuggled stones from Liberia were being laundered through the system. The GGDO evaluators were rejecting stones and a Liberian dealer admitted he had had stones rejected in Freetown, but other stones, especially from areas along the Liberian border, Lofa County and Weasua were entering the official system. The same is true of a much larger volume of diamonds originating from RUF-managed alluvial production. This is not necessarily the fault of the GGDO evaluators but rather a reflection of weak monitoring by a government agency in the diamond buying centres such as Bo and Kenema.

379. As long as all the diamond fields in Sierra Leone have not been brought under government control, these deficiencies will continue. Freetown can only investigate the origin of larger diamonds, not for every carat brought to the capital. Moreover, the Government rightly fears that when the controlling system is implemented too rigorously, buyers might prefer to go to countries in the region where the Certificate of Origin has not been introduced yet and where the old paperwork, the mere letterhead of a country is still considered sufficient for customs in the importing

markets for diamonds. The country address on the invoice from the sending country is then recorded as "country of provenance".

Table 6

Diamond export figures under the certification scheme

Month	*Total carats*	*Value (US$)*
October 2000	28 450.60	4 470 424.41
November 2000	12 128.75	1 079 695.58
December 2000	9 702.16	938 014.60
January 2001	13 486.10	1 991 773.84
February 2001	15 384.67	1 909 276.29
March 2001	20 055.63	2 685 334.87
April 2001	14 440.58	1 821 237.48
May 2001	16 996.96	2 156 765.00
June 2001	15 652.29	2 154 917.36
July 2001	18 161.11	2 154 668.90
August 2001	16 509.67	2 280 402.42
September (till 10th)	6 397.27	827 898.47
Total	**187 335.79**	**24 470 409.22**

Source: Government Gold and Diamond Office, Bank of Sierra Leone, Freetown.

Diamond revenue in Sierra Leone to fund rural development

Taxation of the alluvial diamond trade is fraught with difficulties. Several years ago, donor-appointed consultants recommended that a 2.5 to 3 per cent taxation of the actual value of the diamonds would drive the trade underground. A recent World Bank study estimated that US$ 138 million worth of diamonds was exported from Sierra Leone in 1999, of which only US$ 1.2 million was legal. The Government currently levies a 3 per cent tax on the value of exports by dealers. The Government in August announced that one quarter of this revenue would be allocated to rural chiefdoms located in areas where alluvial mining occurs. These funds will then be earmarked to improve local schools, health clinics and community projects and will be divided according to the number of mining licences granted in each chiefdom. This could provide local authorities with an incentive to crack down on illegal mining. This is the first time that the Government has allocated diamond mining for community development schemes since mining began in 1956 under the alluvial diamond-mining scheme.

Guinea

380. Guinea has followed the lead of Sierra Leone. In June 2001, it introduced a Certificate of Origin scheme, which is controlled by the centralized "Bureau national d'expertise de diamants et autres gemmes" (BNE). The BNE diamond evaluation office in Conakry is housed in the "Banque centrale de la republique de Guinée" and a second office is in Kankan, the second exclusive diamond buying centre of the country. According to the Ministry of Mines, Geology and the Environment, the certificate system is working well. According to statistics from the BNE, Guinea exported in 2000 some 369,263 carats and up to July 2001, some 264,140 carats worth of diamonds. The value of the annual production going through the official system was around US$ 40 million. The Certificate of Origin is certainly an improvement in the Guinean diamond business but smuggling is still a major problem. The Guinean Ministry of Mines underlined that only a few years ago, no diamonds at all were being exported through the official system. According to official estimates, around 65 per cent of all diamonds produced are still leaving Guinea illegally. Controlling authorities clearly face a lack of capacity in terms of equipment, training of customs agents and border controls in general, in an area where borders are very porous.

Liberia

381. The Ministry of Lands, Mines and Energy has produced a draft certificate of origin and has sought assistance from the United Nations and the Diamond High Council for technical support to print. The draft certificate is based on the model encouraged by the Kimberly Process. The Ministry, in conjunction with the Central Bank of Liberia plans to open a centralized evaluation office in the bank, where diamonds for export would be evaluated, certified and put in sealed packages ready for export.

382. The Minister of Lands, Mines and Energy is well-versed on the progress of the Kimberly process and obtained a travel exemption from the Security Council Committee to attend the London meeting in September 2001 and subsequently held consultations with the Belgium Diamond High Council in Antwerp.

Côte d'Ivoire

383. Côte d'Ivoire has also participated at some of the Kimberly process meetings and has expressed an interest in having a regional certification scheme. Currently, Côte d'Ivoire has nine licensed export dealers of diamonds but the Panel found evidence of a number of other dealers who exported diamonds, including Liberian rough as Ivorian. In 2000, 320,207 carats were exported from Côte d'Ivoire. By September 2001, 290,407 carats had been exported.

The challenge of alluvial diamonds

384. The experiences of Sierra Leone, Guinea, Liberia and Côte d'Ivoire show how difficult it actually is to separate out conflict diamonds from other alluvials. Better monitoring, increasing the cost of getting caught and the requirement to state the source of a stone (origin) rather than just the provenance (country) could help this process. A better definition of origin would help this monitoring. But as with the case of Sierra Leone, without steady progress in the internal peace process, it is

difficult to see how the distinction between government and RUF diamonds can be maintained effectively.

Recommendations on diamonds

385. The Panel encourages the Liberian Government to put in place a credible and transparent certification scheme which is independently audited by an internationally recognized audit company. This scheme should be independently assessed as credible and effective in order to facilitate the consideration of a suspension of the diamond ban by the Security Council. This would also alleviate the genuine hardship that artisanal miners, brokers and dealers are currently experiencing.

Other measures

386. Regular and accurate publication of official annual rough diamond import/export statistics is crucial. Currently, only Belgium publishes a detailed list. A better international library of each diamond type, from each region and detailed records of run-of-mine alluvial samples in conflict zones would also be an important step forward in this region. It is also important that countries issue their own certificates of origin that are consistent with a fully integrated certification system. But in the end, the only guaranteed way to resolve the conflict diamond issue is to create conditions in a country that result in the label "conflict" being made redundant. Under such conditions, the principal challenge of the alluvial diamond trade in West Africa would be to curtail endemic smuggling for tax evasion purposes. Sierra Leone's attempt to redistribute diamond revenues back into the community is part of a solution.

Liberian maritime and corporate registries

Origins of the registry

387. Liberia's maritime and corporate registry is of international repute. It has also been a steady source of revenue for the Liberian Government. From 1949 to 1999, the registry remitted around US$ 700 million to the Government. During the 1990-1996 civil war and interim period, revenue from ship registry represented 90 per cent of total state budget. Previously, it had been 10-15 per cent. Today, the revenues account for about 50 per cent of the country's official budget, according to the Bureau of Maritime Affairs, although figures provided by the Ministry of Finance suggest it is closer to 25 per cent.

388. In 1948, the Monrovia-based International Trust Company was founded. A United States-based off-shore maritime registry opened and the first commercial ship was registered on 11 March 1949. This registry later became the International Registries Inc of Virginia (IRI) which administered the registry until 1999.

389. In the 1970s, the Liberian registry, coupled with a bank in Monrovia, operated by the International Trust Company of Liberia, grew to approximately 75 million tons. Liberia held the number one position for shipping tonnage registered under its flag until 1994.

390. In 1990, the IRI began dealings with the Marshall Islands registry. In 1991, the Marshall Islands had 28 ships of 4.2 million dwt on its registry; by 1997, the fleet was 168 ships dwt. The decision by IRI to adopt the Marshall Islands register in addition to maintaining the Liberian registry, marked a period of decline for Liberian registered tonnage.

391. In February 1997, Liberia filed a case alleging that IRI principals were diverting owners from the Liberian register to the Marshall Islands register and that Monrovia was unable to get hold of details of the registry finances. The Government sought an end to the IRI/Marshall Islands partnership and opening of its books. The newly appointed Liberian Commissioner for Maritime Affairs, Benoni Urey, alleged at the time that US$ 60 million per year was generated by the registry, of which Liberia received US$ 15-18 million. Financial statements from IRI show a remittance of US$ 18,596,274.63 (82 per cent of profit) to the Government in 1998. The company kept a further 18 per cent for its own fees.

392. An IRI projection of funds to be generated by the corporate and maritime registry in 1999 estimated a total revenue of US$ 27,465,000, out of which US$ 5,100,000 went to IRI as fees and US$ 8,370,000 in expenses for the Deputy Commissioner Fees and Expenses. According to the Central Bank of Liberia, the maritime registry provided the Government US$ 15.2 million in 1999.

393. Commissioner Urey also announced in 1997 that the IRI's contract to run the registry until 2006 was not valid because it was not struck with a legitimate government but with one of the factions during the country's seven-year civil war, and thus not binding on the Taylor administration elected earlier in the year.

394. In June 1998, a Virginia Court dismissed efforts by IRI to prevent a challenge from the Liberian Government and in September, IRI filed a claim of libel against Liberia and alleged that the Marine Investigation and International Participation Fund (MIIP) had been abused since it had been handed over to Liberian control in 1998. This US$ 7 to 8 million fund was used to pay IMO dues, casualty investigation, and expenses for the Liberian Bureau of Maritime Affairs. IRI also insisted that it had presented audited accounts to Liberia since 1986.

395. As the legal battle wore on, growing increasingly bitter with time, Liberian flag owners began to voice serious concerns over the future stability of the register. Chevron pulled four tankers out of the registry as a direct result of the dispute.

396. Finally, in April 1999, both protagonists announced a truce and an out-of-court tripartite Settlement Agreement was finally reached in May. Monrovia agreed to drop its US$ 60 million claim against IRI. On 7 May 1999, the Government of Liberia, IRI and its affiliates and the LISCR signed a settlement agreement, claiming to have resolved all their outstanding disputes. The agreement specified that LISCR would assume total management of the Liberian maritime registry and corporate programmes on 1 January 2000 and IRI would fulfil its contractual obligations to Liberia till then. IRI would continue to administer the Marshall Islands maritime and corporate programmes. The agreement was effective from 1 January 2000, although the company was required to operate during a transition period beginning 1 June 1999.

397. The truce was short-lived. In May 2001, IRI levelled charges against LISCR in a 25-page writ seeking US$ 10 million in unspecified damages from it. IRI claimed that LISCR had not fulfilled its obligations under the May 1999 Settlement

Agreement under which LISCR agreed to make certain lump-sum payments, and subsequently periodic payments calculated as a percentage of revenues generated. LISCR filed its reply in June 2001, denying the alleged breaches of the Settlement Agreement and making detailed counterclaims.

398. Charles Taylor began to seek a replacement to IRI in 1996 while he was still only a member of a six-person Council of State established to run Liberia under the Abuja Accord. Taylor had failed to raise funds during the war from IRI and wished to replace them. He began with seeking the assistance of a close friend, United States attorney Lester Hyman, to seek a new company to run the registry. On 18 December 1998, an agreement was signed between the Government of Liberia and Lester Hyman for the creation of LISCR. This was further approved by an Act enacted by the Liberian Senate and House of Representatives on 18 March 1999.

399. Lester Hyman had fallen in and out of favour with Charles Taylor a number of times. Hyman assisted Taylor's cause during the lengthy Abuja peace negotiations. He also succeeded in getting the United States record on Taylor's escape from a Massachusetts jail expunged. Mr. Hyman and his law firm, Swidler Shereff Friedmann were registered under the United States Foreign Agent Registration Act on behalf of the Republic of Liberia. He also became a shareholder of LISCR and was the nominal chair of the LISCR Board until January 2001. Yoram Cohen, the Chief Executive Officer of LISCR had worked for Hyman previously and had been recruited by him to manage LISCR.

The role of LISCR

400. The Government of Liberia appointed LISCR as its exclusive agent to manage the corporate and maritime registers with effect from 1 January 2000, although the company was required to operate during a transition period beginning 1 June 1999.

401. From January 2000, the LISCR Trust Company, a wholly owned subsidiary of LISCR, LLC, was given statutory authority to act as the sole registered agent for corporations registered in Liberia but not having a place of business there. The contract between LISCR and the Liberian Government is for 10 years with the provision for renewal. The contract is substantially similar to that in effect prior to the appointment of LISCR.

402. According to the Bureau of Maritime Affairs, the ship register is the political responsibility of the Commissioner of Maritime Affairs, appointed by the President. The corporate register is the political responsibility of the Minister of Foreign Affairs.

403. LISCR is based in Vienna, Virginia, USA, where ship safety, inspection, compliance, manning, and accident-and-incident investigation are managed. LISCR has an office in New York, where traditionally Liberian ship registrations and ship mortgage recording take place. LISCR has a number of representative offices outside the United States.

404. LISCR is meant to retain approximately 66 per cent of the fee of income of the corporate register to cover operating costs and profit and the remainder is paid to the Treasury of the Government of Liberia. LISCR retains 20 per cent of tonnage fees and 80 per cent is paid to the Treasury. While 60 per cent of the total income generated by the registers is retained by LISCR, 5 per cent is paid over as dues to the International Maritime Organization and 35 per cent is paid to the Treasury.

405. Liberia is an active participant in the International Maritime Organization of the United Nations. Presently, the contributions of Liberia to IOM amount to 8.23 per cent of the income of that United Nations body and are paid directly by the management company from fees collected from the ship registries. Liberia has paid its full assessment up to and including the year 2000 and UK£ 819.34 of its 2001 assessment which is now due (it owes UK£ 1,494,271.66). LISCR is responsible for paying the dues and in 2000 transferred funds allocated for MIIPS funds to cover IMO dues.

Second largest maritime fleet in the world with high technical standards

406. By October 2001, Liberia's gross tonnes stood at 55.8 million. The net tonnes were 30.0 million. There were in 2001, 157 new registrations and 154 cancellations to date (22 of these were scrapped). With 1,734 vessels registered under its flag, Liberia is the second largest maritime fleet in the world. The register has traditionally had a high proportion of tanker tonnage. In January 2001, Liberia accounted in tonnage for 35 per cent of all the world's oil tankers. There are also significant numbers of bulk carriers and registered cruise ships. The average age of new registrations is 6.0 years and the average age of cancellations is 15.7.

407. The register is generally regarded as one of the quality open registries (called by some, flag of convenience) with the fleet having a relatively low average age and below average PSC detention rate. The casualty figures are also low. Liberia appears on all White Lists, including the IMO and all port state control authorities worldwide.

Accounting for the revenue at LISCR

408. Foreign shipping companies pay competitive fees for Liberian registration. Non-resident companies do not pay tax. The cost of registering a Liberian company was around US$ 4,200. Following the transfer of management of the registry from IRI to LISCR, a price war among other registers opened up. And on 1 July 2000, LISCR introduced a new scale of fees and all initial registration fees were waived until the end of 2001. In 2000, the Liberian registry and corporate fee programme generated some US$ 25.72 million officially which netted, according to the Bureau of Maritime Affairs, some US$ 18 million for the Government.

409. LISCR has ring-fenced the revenue it generates from the maritime and corporate registries. Their accounts are audited annually by Arthur Andersen LLP, an auditing firm of international repute, and these audits were open to inspection by the Panel. The collection of Registry revenues and government taxes and fees, and any subsequent distribution of funds due to the Government, is accomplished in accordance with the agreement between LISCR and the Liberian Government.

410. Collections are initially deposited into one of several Registry bank accounts, dependent upon the nature of the collection, and as specified in the Agreement. All Registry bank accounts accepting collections are located at the Branch Banking & Trust Company (BB&T). All collections are deposited at a Branch account in Washington, D.C., with the exemption of those corporate receipts that are directed to BB&T's LockBox operation in North Carolina.

411. LISCR's accounting department records the collections and classifies them as Registry revenues (which are retained to cover operating costs), LISCR (registered agents and maritime fees), or Government funds (which consist of Tonnage Taxes and a percentage of MIIPS fees, and annual and specified fees charged to clients by acts of law). Weekly, amounts due to the Government are disbursed to an Embassy of Liberia, Maritime Finance Office account at Riggs Bank, Washington, D.C., which is then transferred through the Citibank system to an account at the Ecobank in Monrovia. The MIIP's funds go to a Bureau of Maritime Affairs account at Chevy Chase Bank, Maryland, USA. LISCR holds two joint LockBox Accounts with the Bureau of Maritime Affairs in the United States, one for the overheads of the maritime programme and a second one for receipts of the tonnage tax as there is a complex-sharing arrangement.

412. The above is routine procedure. However, the Panel obtained bank transfer details for two LISCR transfers to San Air General Trading Account No. 01-01-5712572-01 at Standard Chartered Bank, Sharjah, the United Arab Emirates for US$ 525,000 on 21 June 2000 and US$ 400,000 on 7 July 2000 (annex 10). These payments were made from LISCR's New York office account (No. 5162058071) at BB&T. These two payments were for arms and transportation in violation of Security Council resolutions. The sanctions-busting activities of San Air General Trading are documented in the Arms and Transportation Section.

413. LISCR admitted to the Panel that it had made four payments to non-governmental accounts in 2000. The disbursements were made following four separate written requests instructing LISCR, from the Commissioner of Maritime Affairs through his Deputy Commissioner of Financial Affairs (DCFA) to redirect a pending distribution of the Government's share of the Registry collection to a non-governmental account. In addition to the two payments to San Air General Trading in the United Arab Emirates, a payment was made to an undisclosed account at Ecobank in Monrovia and to Riggs Bank in Washington, D.C.

414. Each of the transfers were appropriately accounted for as a distribution to the Government of its share of taxes and was acknowledged by the Bureau of Maritime Affairs. These payments appear in the Arthur Andersen audit as US$ 1,175,569 for "Fees to DCFA" and were taken out of the government share of the MIIPS funds. LISCR did not at the time conduct any due diligence on whom and for what these payments were for.

415. LISCR had become increasingly uncomfortable at the growing regularity of requests for divergence from standard procedure in late 2000. Following a new request for disbursement on 17 August 2000, LISCR informed the Commissioner of Maritime Affairs that it would no longer honour such requests.

416. Having found resistance from LISCR, Commissioner Urey then changed his strategy, writing to his Deputy Commissioner for Financial Affairs on 13 September to authorize one payment of US$ 200,000 on 13 September 2000, one payment of US$ 174,000 on 20 September 2000 and one payment of US$ 174,000 on 27 September 2000. According to a copy of Urey's letter in the Panel's possession, these amounts were to be transferred to the Maritime Affairs Account at the Ecobank in Monrovia for onward transmission to the San Air General Trading Account in Sharjah, "via: the account of S. Ruprah" (annex 9).

417. These transfers from the Maritime Account correspond with the issuing of a US$ 200,000 cheque (No. 0019119) from the BMA Ecobank account in Monrovia (Account 10610001812018). This cheque was written out to "Sanjivan Ruprah", dated "13 September 2000" and signed by Commissioner of Maritime Affairs Benoni Urey.

418. Ruprah transferred US$ 179,980 to San Air account 00-01-5712572-01 in Sharjah on 16 September 2000. Ruprah also used an employee, Jacques Gakali, to make three subsequent payments from Monrovia to San Air. A final payment of US$ 74, 965 was made on 2 January 2001.

419. On 16 November, LISCR received a further request from the DCFA to distribute to a non-governmental account. LISCR refused, generating a series of demanding letters from DCFA over the next 10 days and political pressure from Monrovia to comply. LISCR eventually decided to distribute the funds in question to three recognized Government-controlled bank accounts and since December 2000 there has to date been no further Bureau of Maritime Affairs interference in LISCR's distribution of funds to the Government.

Accounting for the revenue in Monrovia

420. According to official documents of the Bureau of Maritime Affairs, the Government's portion of the funds collected directly by the LISCR programme are deposited directly into a government account that is operated exclusively by the Minister of Finance and not the Commissioner. The Bureau of Maritime Affairs is supposed to then be allocated 10 per cent of these funds to support its operational budget, the Ministry of Foreign Affairs gets 6 per cent and 4 per cent to the Ministry of Information. The Commissioner for Maritime Affairs also spoke of a "LockBox" bank account shared jointly by LISCR and his Bureau in Monrovia.

421. Further investigation proved both these claims to be untrue. Funds are remitted directly to a tripartite account held at the Ecobank in Monrovia, which the Commissioner of Maritime Affairs and the Minister of Finance are signatories with a third determinational signatory controlled by the Executive Mansion. The Executive Mansion is able to call on these funds at will. The Ministry of Finance admitted that in 2001, due to increased defence expenditure, there had been significant diversion of the maritime funds for extrabudgetary use by the Executive Mansion. This partly would account both for the increased BMA deficit and the decline in accounted incoming maritime revenue by the Central Bank, although the gross shipping tonnage registered by LISCR continues to see growth.

422. According to the Central Bank of Liberia's Annual Report 2000, maritime revenue generated L$ 609.03 million (US$ 15.2 million) in 1999. It brought in L$ 190.25 million (US$ 4.8 million) by 30 June 2000, indicating a decline of L$ 139.64 or 42.3 per cent when compared with the same period in 1999. In the second half of the year, according to the Central Bank, this was L$ 527.46 (US$ 13.2 million), a rise of 12.6 per cent (a total of US$ 18 million). In January-February 2001, it generated L$ 21.31 (US$ 0.5 million); March-April, L$ 23.73 (US$ 0.51 million); May-June, L$ 65.81 (US$ 1.37 million) — a decline of L$ 72 (US$ 1.62 million) compared with the same period in 2000. The Ministry of Finance's figures for 2001 provide much higher remittances than those registered by the Central Bank of Liberia. This significant discrepancy between the figures

remitted and the figures registered by the Central Bank are mainly due to very high extrabudgetary demands on these funds by the Executive.

423. The IMF in September 2000, in its Concluding Statement, following an IMF staff visit to review the January-June 2000 Staff Monitored Programme (SMP) expressed its own concern about the shortfall in maritime revenue. It reported that "the continued decline in maritime inflows is troublesome and should be reviewed closely so that remedial measures can be taken if necessary. The transfer of maritime operations to a new agent on 1 January 2000 led to a delay in collection of corporate registration fees, explaining part of the decline". IMF's suspicion was correct. The remittance figures for August through October 2000 showed a dramatic decline compared with the same months in 1999: the reason for this decline was the authorized diversions by Benoni Urey to Sanjivan Ruprah for payment to San Air General Trading.

Table 7
Maritime revenue collected, 1998-2001
(in US$)

Month	*1998*	*1999*	*2000*	*2001*
January	1 695 958.04	536 431.67	648 326.02	2 312 540.00
February	1 165 156.24	1 706 231.24	448 500.00	929 550.00
March	633 269.76	766 119.41	759 500.00	672 050.00
April	714 022.22	1 032 869.91	850 000.00	858 161.00
May	1 100 920.00	852 298.00	550 000.00	569 408.00
June	2 695 718.33	3 326 278.47	1 500 000.00	1 975 829.00
July	1 596 851.19	1 330 600.79	4 500 000.00	581 822.00
August	512 071.35	666 244.29	200 000.00	579 676.00
September	629 210.84	537 668.19	0	
October	516 106.78	417 864.32	200 000.00	
November	810 934.16	545 042.04	430 794.44	
December	5 270 979.50	3 481 025.29	11 905 672.54	
Total	**17 341 199.39**	**15 225 674.54**	**17 942 793.00**	**8 479 036.20**

Source: Revenue Accounts Division, Ministry of Finance, Monrovia.

The role of the Bureau of Maritime Affairs

424. The Bureau of Maritime Affairs originally functioned under the Ministry of Finance, but following the creation of the Ministry of Transport, it was transferred to that Ministry. On 20 June 1989, through an Act of Legislature, the Bureau was granted autonomous status. The Commissioner is officially the only senior official appointed by the President according to documentation provided by the Bureau. However, it is evident that the appointment of Ms. Agnes Taylor, an ex-wife to the President, as Permanent Representative to the International Maritime Organization and a Deputy Maritime Commissioner in London, was a political rather than professional appointment.

425. LISCR is the Agent for the Office of Deputy Commissioners of Maritime Affairs and as such has a close relationship with the Bureau of Maritime Affairs. Minister Plenipotentiary and Senior Deputy Commissioner John Morlu and Deputy Commissioner for Merchant Marine Personnel and radio and seamen ID, George Arku, share offices with LISCR at its headquarters in Virginia and are integrated in the official employee list. The New York office also hosts Deputy Commissioner Victor Douba and Assistant Commissioner Alfred Mensah. LISCR also shares space with the Liberian Permanent Mission to IMO in London.

426. In recent years, there appears to have been deficits in the Bureau of Maritime Affairs (BMA) operational budget. For example, in fiscal year 2001, the BMA expected a total income of US$ 1,900,000 for its Monrovia operation against total expenditures of US$ 2,025,880.63. In fiscal year 2000, LISCR provided an extra US$ 2,125,372 in additional revenue to cover overexpenditure in the Office of the Deputy Commissioner.

427. Benoni Urey ordered the LISCR payments to San Air in June, July and September 2000. The Panel also has bank details showing that on 5 October 2000, the Bureau of Maritime Affairs in Monrovia transferred US$ 149,980 from its Ecobank account in Monrovia to San Air in Dubai — further evidence that BMA funds from Monrovia were used to pay for sanctions-busting.

The case of Gerald Cooper

428. Gerald Cooper's case shows that the Bureau of Maritime Affairs has engaged in sanctions-busting before. Gerald Cooper was the Permanent Representative to IMO in London and a Deputy Commissioner of Maritime Affairs. On 5 February 1998, United States Customs seized a Hummer armoured vehicle with a hardened point to attach a weapon with a value of US$ 146,260, in Savannah, Georgia. The vehicle was being exported to Liberia via Côte d'Ivoire without an export licence, thereby contrary to United States law and regulations and a contravention of the United Nations arms embargo on Liberia.

429. An investigation in the United States revealed the United Kingdom broker for this deal was to be the Liberian Purchasing Agency Europe (LIPAE) Inc. which operated from an address in London and the sole director was a Nigerian national named Liam Ge, who is also the director of the Liberian Purchasing Agency Europe Ltd. A United States broker called Mr. Aikhuele using a company named IMIOTA was also involved. Further investigations showed that payments were made from the Permanent Mission of the Republic of Liberia to the IMO Bank of Scotland Account and from LIPAE Ltd at Barclays Bank Plc to Aikhuele and Boomershine Pontiac of Smyrna, Georgia, who held the dealership for the Hummer vehicle. British police investigations provided documentation on Gerald Cooper's involvement in the transaction and there was further evidence that Cooper visited Atlanta in January 1998 for discussions with Mr. Aikhuele about the destination of the vehicle and the possibility of ordering three more vehicles with hardened points.

430. On 12 February 1999, the British Foreign and Commonwealth Office requested the Government of Liberia to waive Cooper's diplomatic immunity so that he could be interviewed about these transactions. On 27 April 1999, the Liberian Embassy in London declined to waive the immunity and claimed that Cooper had acted in an "official capacity" on behalf of the Government of Liberia; that the Embassy of

Liberia had no specific knowledge of Article 3 (1) (c) of United Kingdom Order 1993 which enacted the United Nations arms embargo on Liberia.

431. On 8 July, Mr. Cooper was declared persona non grata with immediate effect. Mr. Cooper and all members of his family left the United Kingdom. He is now resident in the United States. According to interviews with and official correspondence from the Bureau of Maritime Affairs, Gerald Cooper is a "Senior Vice President of the Liberia International Ship and Corporate Registry". LISCR told the Panel in August that "Gerald is an independent contractor, he is not LISCR and LISCR is not he", and his name does not appear on their official employee list for 2001 or on their payroll, suggesting once again that what the Bureau of Maritime Affairs claims can be unreliable. LISCR had not investigated Cooper's past, prior to hiring him as a consultant, but admitted that they were "aware that he had to leave the United Kingdom under a cloud, but do not know exactly why".

The cases of Sanjivan Ruprah and Benoni Urey

432. In addition to Gerald Cooper's efforts to break the arms embargo in 1998 and 1999, the Panel found that Sanjivan Ruprah, a "Deputy Commissioner of Maritime Affairs", and a consultant to the Bureau of Maritime Affairs, had played an important role in violating the arms embargo.

433. Officially, Ruprah was known by several individuals in Liberia as a consultant to the Bureau of Maritime Affairs, and he is known to have travelled in the capacity of Deputy Commissioner of Maritime Affairs in several European countries using Liberian diplomatic passports. Remarkably, Ruprah used two different diplomatic passports, one issued in Liberia on 24 March 2000 under the name Sanjivan Ruprah, the other on 23 August 2000 under the name Samir Nasr.

434. The Liberian Commissioner of Maritime Affairs, Benoni Urey, denied knowing Mr. Ruprah. However, Sanjivan Ruprah stayed in Monrovia until January 2001, the time when the Sierra Leone report of the Panel of Experts became public, in Liberia. Ruprah told the Panel he had stayed in the house of the former Chief of Police. This was confirmed by several officials in Liberia. The house is in Old Congo Town By-pass in a quiet residential district in Monrovia. Mr. Urey was practically Mr. Ruprah's neighbour.

435. There is more evidence linking Ruprah to Benoni Urey. Ruprah was one of the Global Civil Aviation agents appointed by the Ministry of Transport in Liberia. These agents were entitled to issue certificates of registration for aircraft, a situation that caused the total corruption of the Liberian aviation registry. This Panel obtained more documents showing Ruprah carried official documentation in this respect. One of those, sent by Ruprah to show his appointment by the Ministry of Transport as an agent of the Liberia Civil Aviation Regulatory Authority to a business partner abroad, showed that it was faxed on 7 December 1999 from a fax machine in Monrovia that identified itself as the "Maritime Bureau", the office of the Commissioner of Maritime Affairs in Liberia, Mr. Urey. The address of the recipient is Sanjivan Ruprah, Liberia Civil Aviation Regulatory Authority, Old Congo Town By-pass, which is again the house almost opposite to that of Benoni Urey's. The Panel was also told that Ruprah was a prominent guest at the funeral of Benoni Urey's mother in 2000.

436. Mr. Ruprah is also a close business partner of Victor Bout. He himself acknowledged this in an interview by the Panel and the Panel has documents to prove this close relationship. In this capacity, Ruprah also set up the ghost airline West Africa Air Services, as is described in the section in this report on the violations of the arms embargo. The Panel obtained a copy of a contract agreement between West Africa Air Services and the airline company Renan in Moldova for the leasing of a cargo aircraft. The plane was used, as shown in this report, for weapons transport. This was also acknowledged by Mr. Ruprah and by the pilot of the aircraft. The contract shows that the leasing contract was signed, on behalf of West Africa Air Services, by Mr. LeRoy Urey. LeRoy Urey is the older brother of Mr. Benoni Urey.

437. The West Africa Air Services operation was run through San Air of the United Arab Emirates by Ruprah. As we have already seen, Urey insisted that LISCR make payments to their accounts in June and July 2000 and also authorized a direct BMA payment to San Air on 10 September 2000. These payments were for delivery of weapons including 1,000 submachine guns that were smuggled from Uganda to Liberia.

438. Commissioner Urey also authorized his Deputy Commissioner for Financial Affairs on 13 September to authorize three payments in September 2000 to the Maritime Affairs Account at the Ecobank in Monrovia for onward transmission to the San Air General Trading Account in Sharjah, "via: the account of S. Ruprah". These transfers from the Maritime Account correspond with a payment made by Sanjivan Ruprah for US$ 179,980 to San Air's account on 16 September 2000 (annex 9).

Diamonds and maritime affairs

439. Commissioner Urey also maintains a number of other business interests including farming, cellular telephones and diamonds. He is a sponsor of a number of diamond mining concessions including at Smith Camp and at Cape Mount. The Panel saw many articles on conflict diamonds among the BMA's files in Monrovia and Urey admitted to love diamonds, although he denied breaking the diamond embargo. The association of diamonds with the maritime business is not new. Two separate retired United States Generals associated with the maritime agents have been involved in unofficial diamond transactions. While working for IRI, one of these retired Generals sponsored the activities of a diamond broker and was caught by the authorities at Roberts International Airport with undeclared rough diamonds in 1999.

Maritime officials on the travel ban

440. Agnes Reeves-Taylor, Gerald Cooper, Benoni Urey, the Commissioner of Maritime Affairs, Sanjivan Ruprah, a businessman and deputy commissioner of maritime affairs and Ms. Wessa Dennis, a Deputy Commissioner for Public Affairs at the Bureau of Maritime Affairs, are listed by the Security Council Committee as persons affected by resolution 1343 (2001) on Liberia and are on the United Nations travel ban list. Two of the named persons are known to have violated the ban by travelling without an exemption issued by the Security Council Committee. Sanjivan Ruprah, based since early 2001 in Brussels, has travelled regularly, including to Washington, D.C. and Abidjan. Benoni Urey, the Maritime Affairs Commissioner

travelled without an exemption from the Security Council Committee to Abidjan on Ghana Airways flight 533 on 29 August 2001.

The Liberian Corporate Registry

441. The Liberian Corporate Registry, managed by IRI and since 2000 by LISCR, has also been used for diamond transactions. The Panel of Experts in Relation to Sierra Leone documented how numerous non-resident corporations used the 80 Broad Street, Monrovia, postal address of the off-shore registry as a convenient label of origin for transactions for smuggled diamonds. This practice has declined following the United Nations imposition of a diamond embargo on Liberia but the Panel has found the address was still used for other types of illicit activity. In this report the case is described of over 1,000 submachine guns that were smuggled from Uganda to Liberia. The broker in this case was acting through the company Culworth Investment Corporation, with an address in 80 Broad Street, Monrovia, Liberia. Culworth joined the registry in 1992 and paid its annual bills until 1997. It became operational again in 2000 around the time of the West Africa Air Services operation. It seems to be an off-the-shelf company used at particular times to provide cover for sensitive business.

442. The 80 Broad Street postal address in Monrovia was used by the International Bank of Liberia Ltd (owned by IRI) up to April 2000 (it then moved to 62 Broad Street) when it was transferred to LISCR for the purpose of continuity in the operation of the off-shore registry. LISCR is the sole registered agent in Liberia for managing legal documents or other notices for the non-resident corporation wherever in the world that management may be.

443. The Liberian Corporate and Maritime Registries provide an important source of revenue to a poor country. The maritime registry is of international repute but it is vulnerable because of the use of the funds it generates for opaque off-budget expenditure including for sanctions-busting.

Recommendations on the Liberian Corporate and Maritime Registry

444. An escrow account should be set up by the Security Council Committee as the ultimate destination for all revenues generated from the shipping and corporate registry. The Panel believes that the Government of Liberia and IMF should reach an agreement to audit this account in order to determine all revenues generated by the shipping and corporate registry and to determine the use of the revenue in this account. The funds in this account should be designated for development purposes.

Part IV
The Travel Ban and States compliance to Security Council resolution 1343 (2001)

The Travel Ban

445. Paragraph 7 of resolution 1343 (2001) states:

> "The Security Council ...
>
> 7. (a) *Decides also* that all States shall take the necessary measures to prevent the entry into or transit through their territories of senior members of the Government of Liberia and its armed forces and their spouses and any other individuals providing financial and military support to armed rebel groups in countries neighbouring Liberia, in particular the RUF in Sierra Leone, as designated by the Committee established by paragraph 14 below, provided that nothing in this paragraph shall oblige a State to refuse entry into its territory to its own nationals, and provided that nothing in this paragraph shall impede the transit of representatives of the Government of Liberia to United Nations Headquarters to conduct United Nations business or the participation of the Government of Liberia in the official meetings of the Mano River Union, ECOWAS and the Organization of African Unity;
>
> (b) *Decides* that the measures imposed by subparagraph (a) above shall not apply where the Committee established by paragraph 14 below determines that such travel is justified on the grounds of humanitarian need, including religious obligation, or where the Committee concludes that exemption would otherwise promote Liberian compliance with the demands of the Council, or assist in the peaceful resolution of the conflict in the subregion;"

446. The Committee established by resolution 1343 (2001), paragraph 14, issued the list of persons to be affected by this Travel Ban on 4 June 2001 (document SC/7068). The Travel Ban has, in the Panel's opinion, been the most effective sanction. Indeed, the Government had agreed with IMF as part of the January to June 2000 Staff Monitored Programme, to "Freeze all non-essential foreign travel" by the end of December 1999. The Fund concluded in its November 2000 report that this had only had "limited effectiveness". The Ministry of Finance in Monrovia admitted that there had been a significant saving on government travel revenue due to the ban although they declined to provide the Panel their figures for travel in 2000 for comparison. However, the Panel did obtain official rates of the per diem allowances for government officials when abroad. They include the President (US$ 600 per day); Vice President (US$ 500 per day); Cabinet Ministers and Heads of ministerial agencies, accredited Ambassadors, Army Chief of Staff (US$ 400); all Deputy Ministers, non-accredited Ambassadors, Heads of departmental agencies (US$ 250 per day); and all Assistant Ministers, Deputy Head of departmental agencies (US$ 200 per day).

447. The Travel Ban has been the source of the greatest number of complaints received by the Panel. Individuals on the list requested to know on what grounds their names had been placed on the list and how to appeal. In each case, the Panel referred them to the Security Council Committee as the appropriate body responsible for drawing up the list. The Panel does believe that the list should not be set in stone, and that for humanitarian reasons some names should be dropped. The

Panel also believes that the Committee should consider new names and should also properly publicize and set up an effective system to consider applications for travel exemptions for the duration of the Travel Ban.

448. The Panel actively sought to monitor compliance with the Travel Ban. The Panel examined all commercial flight manifests from Roberts International Airport although a request to Spriggs Payne for similar access to their manifest records were not forthcoming despite two meetings with the Director of Spriggs. Table 8 shows the names of individuals that the Panel believes violated the Ban. Some of these individuals such as George Haddad (he is a Lebanese passport holder) and Simon Rosenblum (holds Côte d'Ivoire residency) are able to travel to their homes. Mohammed Salamé has also travelled regularly from Abidjan to Monrovia and back.

Table 8

Persons affected by resolution 1343 (2001) who have travelled from Liberia in violation of the Ban between 7 June and 1 October 2001

Date	*Flight number*	*Name of person*	*Ports of embarkation/ disembarkation*	*Seat number*	*Remarks*
1 October	Sabena SN 678	Taylor E./Mrs.	ROB-AMS	31-A	Kiia Tai Joseph Wong
		Carbah/F. M.	ROB-YUL	4-H	
		Wong/K. Mr.	ROB-BEY	5-G	
24 September	Sabena SN 678	Reffell/V. Ms.	ROB-TLV	7-H	
29 August	Ghana GH 571	Urey/B. Mr.	ROB-ABJ		
14 August	Ghana Airways GH 521	Allen/C.	ROB-Accra		
11 August	Weasua 005	Salamé/M.	ROB-ABJ		
7 August	Weasua 005	Taylor/E.	ROB-ABJ		
6 August	Sabena SN 678	DeShield/C.	ROB-IAD	10-K	Waiver granted
5 August	Weasua 003	Gibson/M.	ROB-FNA		
		Minor/B. G.	ROB-FNA		
		Ward/A.	ROB-FNA		
5 August	Weasua 005	Dennis/J. Mr.	ROB-ABJ		
26 July	Ghana Airways GH-533	Basma/J.	ROB-ABJ		
24 July	Weasua 005	Gaye/A.	ROB-ABJ		
23 July	Weasua 003	Ward/A.	ROB- FNA		
22 July	Weasua 005	Kafel/M.	ROB-ABJ		
		Rosenblum/S.	ROB-ABJ		
16 July	Sabena SN 678	Haddad/G. Mr.	ROB-BEY	4-C	
2 July	Sabena SN 678	Gibson/M. Ms.	ROB-BOS	34-K	
27 June	Ghana Airways	Gaye/A.	ROB-Accra		
11 June	Sabena SN 678	Neal/J. M.	ROB-BRU	5-H	
7 June	Weasua 005	Salamé/M.	ROB-ABJ		

The case of Alphonso Gaye

449. On 27 June, the Director of the National Port Authority, Alphonso Gaye, arrived at Accra International Airport on a Ghana Airways flight from Monrovia. When attempting to enter Ghana carrying a Liberian diplomatic passport (D.00723-00) he was detained at the airport for 24 hours by the immigration authorities. Gaye claimed he was transiting Ghana to a conference in Togo. He was eventually released and returned to Monrovia. The Ghanaian authorities at Accra airport remain very vigilant over the travellers from Monrovia, especially those carrying Liberian diplomatic passports.

The case of Jamal Basma

450. Jamal Basma, a Lebanese informal adviser to President Taylor, travelled on a Liberian diplomatic passport to Abidjan on 26 July to have a number of meetings, including with TotalFinaElf with whom he has a long-standing business relationship. Late on 27 July, he was arrested by the "Direction de la surveillance du territoire" (DST) at the Hotel Sofitel in Abidjan and held for a number of days, and cross-examined on allegations that he was seeking to support Ivorian dissident groups. Eventually with assistance of TotalFinaElf, the intervention of the Liberian Government, and the assistance of the Ivorian Consul, Prosper Kotchi, Basma was finally released and escorted to the airport on 3 August. According to Ivorian officials, he was detained because of his violating the United Nations travel ban, but this would not explain why he had been permitted entrance into the country in the first place.

The case of Gus Kouwenhoven

451. Gus Kouwenhoven, the manager of Hotel Africa and RTC and partner in OTC is a Dutch passport holder, but also holds a number of other passports, including a Liberian diplomatic one. He has regularly travelled to and from Liberia, although his name appears on the Travel Ban list. He does not deny this travel to the Panel, admitting to important business in Congo, Brazzaville, where he is opening a hotel. His name does not appear on the airline manifests at Robertsfield International Airport, although he has been seen on international flights. This has led the Panel to conclude that he travels under a different name.

452. Kouwenhoven has visited Abidjan on a number of occasions since the Travel Ban has entered into force. The Panel has confirmed and obtained documentation that Kouwenhoven visited Abidjan on official government business in June. A printout of his hotel bill at the Hotel Sofitel showed that it had been booked by the Embassy of Liberia in Abidjan (annex 11). After staying there he moved to the Hotel Ivoire for an extra few days. Kouwenhoven also visited Abidjan in early August for a stop-over prior to travelling on to Brazzaville. He was met at the plane and escorted through the airport arrival procedures by the same Ivorian official who had helped Jamal Basma during his deportation to Liberia a few days before.

The Côte d'Ivoire loophole

453. Abidjan airport is the main loophole in better implementation of the Travel Ban. Panel members visited Abidjan five times during the Panel's investigation and found that the authorities had not informed their immigration and security people at the International Airport about the Travel Ban. The Panel itself had provided in

August the Ban Lists to airport and government officials. The authorities at the airport said they could only act upon the list if given instructions by central government. Despite the Panel's many requests, central government did not assist the Panel in its efforts to document and monitor violations of the ban in Abidjan. The Panel found that Côte d'Ivoire was deliberately uncooperative, despite the frequency of visits and requests for assistance.

454. The Ivorian authorities need to assist the United Nations in establishing a system at Abidjan airport to check that arriving passengers from Monrovia are not on the Travel Ban list or hold a United Nations travel exemption.

Wider implementation

455. The Panel is aware that many countries have tightened their vetting process of visa applications by Liberian nationals. Switzerland and the United Kingdom have reported rejections of visa applications by individuals on the list. One Ambassador reported he had been offered rough diamonds on behalf of an individual on the list to obtain a visa. Sierra Leone has refused Liberian delegations entry on two occasions when they tried to travel to Freetown without an official United Nations travel exemption. In the Philippines, Maxwell Poe has been attending a 23 July to 31 August summer programme at Trinity College, Quezon City, resulting in an exchange of correspondence between the college and the Bureau of Immigration and Deportation.

Recommendations on the Travel Ban

456. The Panel encourages the Security Council Committee to reply to individual requests about the ban promptly and expeditiously. The Panel also recommends that the Committee set up a Liberia Travel Ban web page where the Committee's criteria on how names have been put on the list is described. The web page should also provide information on how to apply for travel exemptions and have a section on who currently has an exemption to travel. This web site should be publicized as a resource for immigration and law enforcement agencies to keep track of who is on the Travel Ban list, and who has exemption.

457. The United Nations Secretariat's Sanctions Department, in consultation with the Committee, should also compile a photographic database of key individuals on the Ban list to counter attempts by a number of individuals on the list to travel under a different name. These photographs could be put on the web site.

458. The Panel does not believe that the list should be set in stone. For humanitarian reasons, a few names should be dropped; the Committee should also consider new names, too.

459. A loophole at Abidjan airport needs urgent attention. The Council should strongly encourage the Ivorian authorities to adopt a less passive attitude towards the implementation of the Travel Ban. A verifiable system should be set up at Abidjan airport to check that arriving passengers from Monrovia are not on the list or if they are, they have obtained a United Nations travel exemption.

Compliance with Security Council resolution 1343 (2001)

Liberia's compliance with resolution 1343 (2001)

460. The President of Liberia acknowledged receipt of resolution 1343 (2001) through a letter dated 22 March sent by the Permanent Representative of Liberia to the United Nations. In this letter, the President claimed to have taken the following initiatives consistent with the demands of the Security Council:

(a) Expulsion of all members of RUF from the territory of Liberia, closing down of RUF contact office and banning of all RUF activities in Liberia;

(b) Closure of border between Sierra Leone and Liberia;

(c) Ban on the entry into Liberia of all uncertified rough diamonds from countries with certification regimes and ban on export of all rough diamonds from Liberia, pending establishment of an internationally acceptable and transparent certification regime in Liberia;

(d) Freezing of assets of RUF and its members;

(e) Order for grounding of all Liberian-registered aircraft and revocation of all these registrations.

461. In the sections above, the Panel has shown that on the issue of diamonds and Liberian-registered aircraft there has been some movement. On other issues there has been less progress. The RUF have not all been expelled from Liberia and Sam Bockarie, "Mosquito", although not a full-time resident of Liberia, currently continues to enjoy Presidential favour. The arms embargo also continues to be violated. The Travel Ban is generally respected by senior ministerial officials, who are seeking travel exemptions.

Notification by other States of compliance

462. The Panel found it difficult to comprehensively assess the compliance of other States in enforcing Security Council resolution 1343 (2001). Implementation and compliance are important and the Panel recommends that future resolutions contain a regular reporting requirement by States to the Security Council Committee on their compliance efforts.

Ideas for continued monitoring of Security Council resolution 1343 (2001)

463. The United Nations Secretariat should appoint a Liberia officer within the Sanctions Department of the Department of Political Affairs. This person should conduct ongoing monitoring of compliance of resolution 1343 (2001) from New York, develop databases of violation reports and dispatch letters of request and make telephone enquiries about such reports. This person should also act as an in-house researcher from the Security Council Committee, able to assist such as in monitoring compliance of the Travel Ban and requests for travel exemptions. A self-standing motivated United Nations Secretariat staff member, with administrative support from the assistants to the Committee could fill this requirement efficiently and cost-effectively. The Angolan Monitoring Mechanism already has attached to it a political officer who has efficiently conducted a number of these tasks.

464. There should be an ongoing assessment of Liberia's compliance with resolution 1343 (2001) on the ground, too. A way to achieve this in a targeted and cost-effective manner is to renew the mandate for this Panel of Experts for two short periods in 2002 to visit West Africa with the Liberia officer appointed by the Secretariat. These missions should be:

- An assessment mission by the Panel to Liberia and neighbouring States for a period of four weeks starting in April 2002, to investigate and compile a short report on compliance. This report, an independent audit of compliance with recommendations, would then be submitted through the Committee to the Council for consideration in May 2002;
- A second six-week mission to Liberia in September 2002, resulting in a final submission to the Committee in November 2002. This report would also be an independent assessment of total progress of the sanctions regime and the Government of Liberia's compliance over the year.

465. The advantages of this system are that it would, over the year, enhance Secretariat capacity to monitor compliance of resolution 1343 (2001). It also uses the expertise of the Panel in a targeted and cost-effective manner and ensures that the momentum created by the Panel's work in 2001 is not lost.

Annex 1

United Nations
S/2001/268

Security Council

Distr.: General
23 March 2001

Original: English

Letter dated 23 March 2001 from the Secretary-General addressed to the President of the Security Council

I have the honour to refer to resolution 1343 (2001), adopted by the Security Council on 7 March 2001, concerning Liberia. In paragraph 19 of that resolution, the Council requested that, after consultation with the Security Council Committee established pursuant to resolution 1343 (2001), I establish a Panel of Experts for six months within one month from the date of adoption of the resolution to, inter alia, investigate any violations of the measures imposed by paragraphs 5 to 7 of the resolution; to collect any information on the compliance by the Government of Liberia with the demands in paragraph 2 of that resolution, and to further investigate possible links between the exploitation of natural resources, other forms of economic activity in Liberia and the fuelling of conflict in Sierra Leone and neighbouring countries, in particular those areas highlighted by the report of the Panel of Experts established pursuant to resolution 1306 (2000) (see S/2000/1195).

Accordingly, following consultations with the Committee and taking into account the requirements stated in the above-mentioned resolution, including that the panel draw, as much as possible and as appropriate, on the expertise of the members of the Panel of Experts established pursuant to resolution 1306 (2000), I wish to inform you that I have appointed the five experts:

Mr. Martin Chungong Ayafor (Cameroon)

Mr. Atabou Bodian (Senegal, expert from the ICAO)

Mr. Johan Peleman (Belgium, expert on arms and transportation)

Mr. Harjit Singh Sandhu (India, expert from INTERPOL)

Mr. Alex Vines (United Kingdom, expert on diamonds)

I have also selected Mr. Martin Chungong Ayafor to chair the panel of experts.

(*Signed*) Kofi A. **Annan**

Annex 2

Meetings and consultations

Austria

Diplomatic, bilateral and multilateral agencies

GPML (Global Programme against Money Laundering) in the office of UNODCCP
UNDCP (United Nations Drug Control and Crime Prevention)
INCB (International Narcotics Control Board)

Belgium

Government

Ministry of Foreign Affairs (Task Force Kimberley Process)
Ministry of Economic Affairs
Diamond High Council (Hoge Raad voor Diamant)

Private sector

Paul La Roche, Liberia World Airlines, Ostend

Civil society

Christian Dietrich, IPIS

Media

Dirk Draulans, Knack
Walter De Bock, De Morgen

Burkina Faso

Government

Ministry of Foreign Affairs
Ministry of Defence

Diplomatic, bilateral and multilateral agencies

UNDP

Cameroon

Government

Ministry of External Relations
Ministry of Transport
Civil Aviation Authority

Diplomatic, bilateral and multilateral agencies

France
Liberia
Switzerland

UNDP
United Kingdom
United States

Canada

International Civil Aviation Organization (ICAO)

Cape Verde

Two members of the Panel participated in "the 13th Africa and Indian Ocean Planning and Implementation Regional Group Meeting on Civil Aviation". In the margins of the meeting, discussions were held with:

Director of Operations (DG ASECNA)
Chiefs of Air Navigation Services of Burkina Faso, Cameroon, Congo, Chad, Côte d'Ivoire, Gabon, Niger
Director of Air Navigation and Regulatory Services of Uganda
Director of Air Traffic Services of Ghana
Chief of Air Navigation Services of Central African Republic
Director of Civil Aviation and Chief of Air Navigation of Equatorial Guinea
Administrator and Technical Director of DRC

Central African Republic

Government

Ministry of Mines
Ministry of Civil Aviation and Transportation
Ministry of Interior
Director General of Civil Aviation
Director of Cabinet of the Prime Minister

Diplomatic, bilateral and multilateral agencies

France
UNDP

Côte d'Ivoire

Government

Ministry of Foreign Affairs
Ministry of Interior
Ministry of Defence
Ministry of Transport
Interpol Sub-Regional Bureau
Sub-Prefecture of Man
Secretary General of the Prefecture of Biankouma
Prefecture of Guiglo

Diplomatic, bilateral and multilateral agencies

ASECNA
Canada
Germany
Israel
Liberia
Netherlands
United Kingdom
UNDP
UNHCR
WFP

Civil society

Centre for Democratic Empowerment
Modern Africa

Private sector

Management of hotels Sofitel, Novotel, Ivoire, Tiama, Gulf

Others

General Robert Guei
Liberian Refugees camp Nicla
Yussuf Sanon, Weasua Airlines
Ambassador at large Mohamed Salame
Jean-Francois Guillotte, Air Continental
Dieudonne Essienne, Former Ambassador in Moscow for Côte d'Ivoire
Ellen Johnson Sirleaf, Unity Party of Liberia

Czech Republic

Ivan Feranec, CTK, Prague

Equatorial Guinea

Government

Director General of Civil Aviation
Director General of Telecommunications

Diplomatic, bilateral and multilateral agencies

UNDP

France

Government

Ministry of Foreign Affairs

Diplomatic, bilateral and multilateral agencies

Interpol Headquarters in Lyon

Private sector

ATIBT (Association Technique Internationale des Bois Tropicaux)
IFIA (Interafrican Forest Industries Association)

Others

Centre d'études africaines, L'Ecole des Hautes en Sciences Sociales
La Lettre du Continent

Gambia

Government

Permanent Secretary and Chief of Defence Staff
Director General of Customs & Central Excise
Director General of Civil Aviation
Minister of Foreign Affairs
Mr. Baba Jobe, Office of the President

Diplomatic, bilateral and multilateral agencies

UNDP

Ghana

Government

Civil Aviation Authority
Immigration Services

Diplomatic, bilateral and multilateral agencies

UNDP

Private sector

Ghana Airways

Guinea

Government

Ministry of Mines, Geology and Environment
Director General of Civil Aviation
National Agency of Air Navigation
Ministry of Foreign Affairs
Ministry of Defence (Defence Equipment Procurement Division) Central Bank of Guinea
National Army
Prefecture of Gueckedou
Local Correspondent of "Agence Guinéenne de Presse" in Gueckedou
Prefect and Chairman of local Collectivities in Macenta
Governor of the Region of Nzerekore
Prefecture of Nzerekore
Commander of Nzérékoré Airport

Diplomatic, bilateral and multilateral agencies

Canada
France
Ukraine
United Kingdom
United States of America
World Bank
Office of Roberts Flight Information Region (FIR)
UNDP
UNHCR

Private sector

Société de Gestion de l'Aéroport de Conakry

Others

Liberian Refugees in camp Kouakan
Liberian Refugees in camp Kola
Mohamed Yansane, Pecos Compagnie SA
Fatoumata Y. Yansane, Notary for Pecos Compagnie SA

Italy

Government

Public Prosecutor Monza , Dr Walter Mapelli
Consultants to the Prosecutor's office, Mr. Bruno Brugnoni and Ms. Elizabetta Brugnoni
Massimo Alberizzi, Corrierre dela Sera, Milan

Others

Leonid Minin, ETTE (interviewed in Busto Arcizio Prison)

Kazakhstan

Government

Ministry of Foreign Affairs
Multilateral Cooperation Department
International Security Section
Non-tariff Regulation and Export Control Section
Head Illegal Operations Section
Chief Specialist in International Relations
Civil Aviation Committee
Division of Civil Aviation Activities Regulation
Ministry of Defence
National Security Committee
Ministry of Energy and Mineral Resources

Kenya

International Air Transport Association (IATA)
International Civil Aviation Organization (East & Southern Africa Regional Office)
UNDP

Kyrgyzstan

Government

Ministry of Foreign Affairs
Ministry of Defence
Minister of Transport & Communications
Deputy Secretary of the Security Committee
National Security Service
Deputy Director of Air Transport and Air Space Use,
Air Management Head of Department

Diplomatic, bilateral and multilateral agencies

UNDP

Private sector

National Aba Joldoru company

Liberia

Government

Liberia's Task Force on UNSC resolution 1343 (2001)
Ministry of Foreign Affairs
Ministry of Lands, Mines & Energy
Ministry of Planning & Economic Affairs
Ministry of Transport
Ministry of Revenue
Ministry of Defence
Ministry of Justice
Ministry of Finance, Bureau of Customs & Excise
Commissioner of Maritime Affairs
Director of Civil Aviation
Governor of Central Bank of Liberia
Manager of Roberts International Airport
National Port Authority of Liberia
Gbatala Army Training Centre
Ministry of Commerce and Industry
Liberian National Police

Private sector

Association of Liberian Loggers
Diamond Brokers Association
Denco Shipping Lines, Inc.
Diamond dealers:
  - Diandorra Minerals
  - Empire Diamond Company
  - MARS Diamond Company

Gold and Diamond Miners and Workers Union (GODIMWUL)
Forest Hill Corporation
Inland Logging
Hotel Africa
Liberia Timber Association
Oriental Timber Company (OTC)
Royal Timber Company (RTC)
Stevfor Inc.

Diplomatic, bilateral and multilateral agencies

Democratic Republic of Congo
Egypt
European Union
Guinea
India (Hon.)
Sierra Leone
UNDP
UNICEF
UNOL
United Kingdom (Hon.)
United States

Civil society

Catholic Justice & Peace Commission
Centre for Democratic Empowerment
GTZ (Germany)
Liberian Interfaith Council
Liberian National Bar Association
Médecine sans Frontières (MSF-France)
Oxfam (UK)
University of Liberia Press Club

Media

BBC
The Enquirer
The News
Press Union of Liberia
Kiss FM
Voice of America

Others

Prisoners of War held in Monrovia, belonging to CDF and LURD
IDPs from Lofa County
AFL and other armed militias in Lofa County
Ghassan Bassma, Africa Motors
Gus Kouwenhoven, O.T.C.
Simon Rosenblum, Getrac

Mali

State Protocol
Ministry of Foreign Affairs
Civil Aviation Authority
UNDP

Moldova

Government

Ministry of Foreign Affairs
Ministry of Civil Aviation
Ministry of Defence

Diplomatic, bilateral and multilateral agencies

UNDP

Private sector

Pavel Igorevich Popov, Moldtransavia Airlines
Andrei Grosul, Renan Air company
Siloci Iurie, Operations Manager CCM VICHI

Others

Captain Garabet, Renan Airlines/West Africa Air Services

Namibia

Directorate of Civil Aviation

Netherlands

African Studies Centre, University of Leiden

Niger

Government

Ministry of Foreign Affairs
Ministry of Transport
Civil Aviation Authority

Diplomatic, bilateral and multilateral agencies

Agence pour la Sécurité de la Navigation en Afrique et à Madagascar (ASECNA)
UNDP

Norway

Government

Ministry of Foreign Affairs (UN and Africa Departments)

Russian Federation

Government

Ministry of Finance (Gokhran)
Ministry of Foreign Affairs (International Organisations Department and Africa Department)
Ministry of Transportation (External Affairs Department of the State Service of Civil Aviation)

Diplomatic, bilateral and multilateral agencies

Côte d' Ivoire
Kyrgyzstan

Private sector

Valery Cherny, Avia Trend and Ecotrend company
Boris Fedoulov, Paramount Airlines

Senegal

Government

Ministry of Interior
Direction de l'aviation civile

Diplomatic, bilateral and multilateral agencies

AFCAC (African Civil Aviation Commission)
ASECNA
ICAO (West and Central Africa Regional Bureau)

Sierra Leone

Government

Ministry of Foreign Affairs
Ministry of Mineral Resources
Ministry of Trade
Ministry of Justice
Ministry of Civil Aviation
Civil Defence Force
Customs and Excise

Port Authority
National Security Advissr
Sierra Leone Army
Sierra Leone Police (Police Headquarters, CID, Special Branch and several other departments of Police)
Sierra Leone Defence Headquarters

Private sector

Paramount Airlines
Rex Diamonds
Several diamond dealers in Bo and Kenema

Diplomatic, bilateral and multilateral agencies

Commonwealth Community Safety and Security Project for Sierra Leone (CCSSP)
NCDDR
UNDP
United Nations Special Representative of the Secretary-General
UNAMSIL

- officers and officials deployed in Daru, Kenema, Koidu, Yengema, Moyamba, Bouya,
- a wide range of officers and officials in Freetown

United Kingdom
United States
Sierra Leone Ambassador to Liberia

Civil society

Campaign for Good Governance
CRS (Catholic Relief Services)
Chiefs and Elders from Kono District
Human Rights Watch
International Crisis Group
International Human Rights Law Group
International Medical Group

Media

BBC
Independent
PBS Frontline
Radio UNAMSIL
Reuters
Wall Street Journal

Others

Chief Tony Chenyere, Diamond Airlinesm Freetown
Gibril Massaquoi, spokesman for RUF
Omrie Golley, Political & Peace Council, RUF/SL
Paolo Palizzeri, owner of Cape Sierra Hotel Freetown

Roger Crooks, Mammy Yoko Hotel, Freetown
Ze'ev Morgenstern, Rex Diamonds

Slovak Republic

Government

Ministry of Foreign Affairs officials
Police Headquarters (several branches of Police)
Ministry of Economic Affairs
Ministry of Defence
Ministry of Transport and Communications

Diplomatic, bilateral and multilateral agencies

UNDP

Spain

Fernando Robleda, ETTE

Switzerland

Government

Federal Department of Foreign Affairs (United Nations & International Organizations; Financial & Economic Affairs)
Federal Customs Administration (Berne)
Federal Department of Justice and Police
State Secretariat for Economic Affairs
Money Laundering Reporting Office (MROS)

Diplomatic, bilateral and multilateral agencies

United Nations Institute for Disarmament Research
WHO

Private sector

JP Airline Fleets International
HSB Republic Bank (Suisse) S.A.
Company Met A.S. Laussane

Civil society

International Committee of Red Cross
Small Arms Survey

Media

Bruno Vanoni, Tagnes-Azeiger
Martin Stoll, Facts

Others

Erkki Tammivuori, Company Met A.S. (Laussane)

Turkey

Government

General Directorate for Security
Ministry of Defence (National and Economic Affairs)
Ministry of Foreign Affairs (Africa and East Asia Affairs)
Under Secretariat of Foreign Trade

Private sector

Company Met A.S. Turkey

Diplomatic, bilateral and multilateral agencies

UNDP
Finland

Uganda

Government

Commissioner of Customs Ministry of Foreign Affairs
Director General of Civil Aviation
Ministry of Defence (Military Intelligence)

Diplomatic, bilateral and multilateral agencies

UNDP

Ukraine

Government

Ministry of Foreign Affairs
Ministry of Interior
Customs Department
Department of Civil Aviation
State Export Control
State Security Service
National Security Directorate
Border Control Authority
Ministry of Defence

Diplomatic, bilateral and multilateral agencies

UNDP

Others

Vadim Rabinovic

United Arab Emirates

Government

Civil Aviation Authorities in Dubai, Sharjah and Ras al Khaema
Port Authorities at Saquer Port

Private sector

Damas Jewellery (President of Jewellery and Diamond Trade in U.A.E.)

Others

Sergei Bout, AirCess
Serguei Denissenko, San Air General Trading and Centrafrican Airlines

United Kingdom of Great Britain and Northern Ireland

Government

Foreign and Commonwealth Office (United Nations and Africa Departments)

Diplomatic, bilateral and multilateral agencies

IMO
UNIC

Private sector

De Beers
International Air Management
Standard Chartered Bank Limited
Willis Group Ltd. London

Civil society

Amnesty International
Global Witness
Human Rights Watch
International Alert
International Federation of Transport Workers
Oxfam (UK)

Media

Africa Analysis
Africa Confidential
BBC
Economist Intelligence Unit
Financial Times
Reuters
West Africa Magazine

United States of America

Government

Department of State
Department of Defence

Private sector

IRI
LISCR
World Diamond Council
Rapaport Diamonds

Diplomatic, bilateral and multilateral agencies

IMF (International Monitory Fund)
Missions to the United Nations:

- Bangladesh
- Belgium
- Canada
- China
- France
- Gambia
- India
- Ireland
- Italy
- Jamaica
- Netherlands
- Russian Federation
- Sierra Leone
- Singapore
- Tunisia
- Ukraine
- United Kingdom
- United States

United Nations (DPA, DPKO, OCHA,UNDP)

Civil society

Amnesty International
Human Rights Watch

Media

The Perspective
PBS Frontline
Wall Street Journal

Others

Alhaji Koroma, ULIMO (K)
Peter Sprung, Attorney

Other locations

Sanjivan Ruprah, West Africa Air Services/arms dealer
LURD representatives

Notes

[1] A number of individuals have played a key part in some of the events noted in this report. The Panel appreciates those who agreed to be interviewed.

[2] Given the sensitive nature of the subjects being investigated by the Panel, many individuals, however, spoke under conditions of confidentiality. Several interviewees have therefore not been listed.

Annex 3

List of Aircraft of Centrafrican Airlines, San Air and West Africa Air Services the Panel recommends to ground

	Operating Agency	*Registration**	*Type*	*Serial number*	*Former Registration*	*Status/Airport*
1.	Centrafrican Airlines	TL-ACZ	An-26	12602		TL-Illegal registration in Central African Republic
2.	Centrafrican Airlines (owner of the plane is San Air General Trading)	3C-QQT under name of CET Aviation Enterprise FZE since 21 May 2001	An-32	1407	3D-RTB TL-ACH	TL-Illegal registration in Central African Republic
3.	Centrafrican Airlines	TL-ACS	An-32	1707	3D-RTC (Swaziland)	Legally registered in Central African Republic
4.	Centrafrican Airlines	3C-QRA as San Air General Trading, since 10 September 2001	Il-76	0110	TL-ACU	TL-Illegal registration in Central African Republic/This plane was used for several illegal arms transports to Liberia
5.	Centrafrican Airlines	TL-ACM	An-8			TL-Illegal registration in Central African Republic
6.#	Centrafrican Airlines	C5-GNM	Il-62	3036142	TL-ACL	Gambia New Millenium Air/TL-registration in Central African Republic was illegal
7.	Centrafrican Airlines	TL-ACY	Il-76 T	2002	3D-RTA	TL-Illegal registration in Central African Republic//Former owner Air Cess (Swaziland) Ltd
8.	Centrafrican Airlines	TL-ACP	YAK-40	9511639	3D-YAK	TL-Illegal registration in Central African Republic/Former owner Air Cess (Swaziland) Ltd
9.	Centrafrican Airlines	TL-ACQ	YAK-40	9411333	3D-YAQ	Former owner Air Cess (Swaziland) Ltd
10.	Centrafrican Airlines	TL-ACW	An-72	36572090796	3D-RTW	TL-Illegal registration in Central African Republic//Former owner

						Air Cess (Swaziland) Ltd
11.	Centrafrican Airlines	TL-ACV	An-72	7(or 3)6572080777	3D-RTV	TL-Illegal registration in Central African Republic//Former owner Air Cess (Swaziland) Ltd
12.	Centrafrican Airlines	TL-ACD	Mi-8PS	8169	3D-MOI	TL-Illegal registration in Central African Republic/Former owner Air Cess (Swaziland) Ltd
13.	Centrafrican Airlines	TL-ACG	Mi-8PS	5960	3D-MIA	TL-Illegal registration in Central African Republic/Former owner Air Cess (Swaziland) Ltd
14.	Centrafrican Airlines	TL-ACI	L.410	892302	3D-LEC	TL-Illegal registration in Central African Republic//Former owner Air Cess (Swaziland) Ltd
15.	Centrafrican Airlines	TL-ACK	L.410	892225	3D-LEA	TL-Illegal registration in Central African Republic/Former owner Air Cess (Swaziland) Ltd
16.	Centrafrican Airlines	3C-UAQ (under the name Umm Al Quwain Aeroclub, UAE since 5 March 2001)	Il-62M	3036142	3D-RTI TL-ACL	TL-Illegal registration in Central African Republic/Former owner Air Cess (Swaziland) Ltd/
17.	MoldTransavia, recently changed registration to Balkan Airlines in Bulgaria. The plane is owned by San Air	LZ-LTV As Balkan Bulgarian Airlines since June 2001	Tu-154	91A895	TL-ACF ER-TAG (deregistered in Moldova, June 2001)	TL-Legal registration registration in Central African Republic /Transavia Travel Agency "temporary registration" as TL-ACF/The call sign of MoldTransavia was used for illegal arms flights to Liberia in

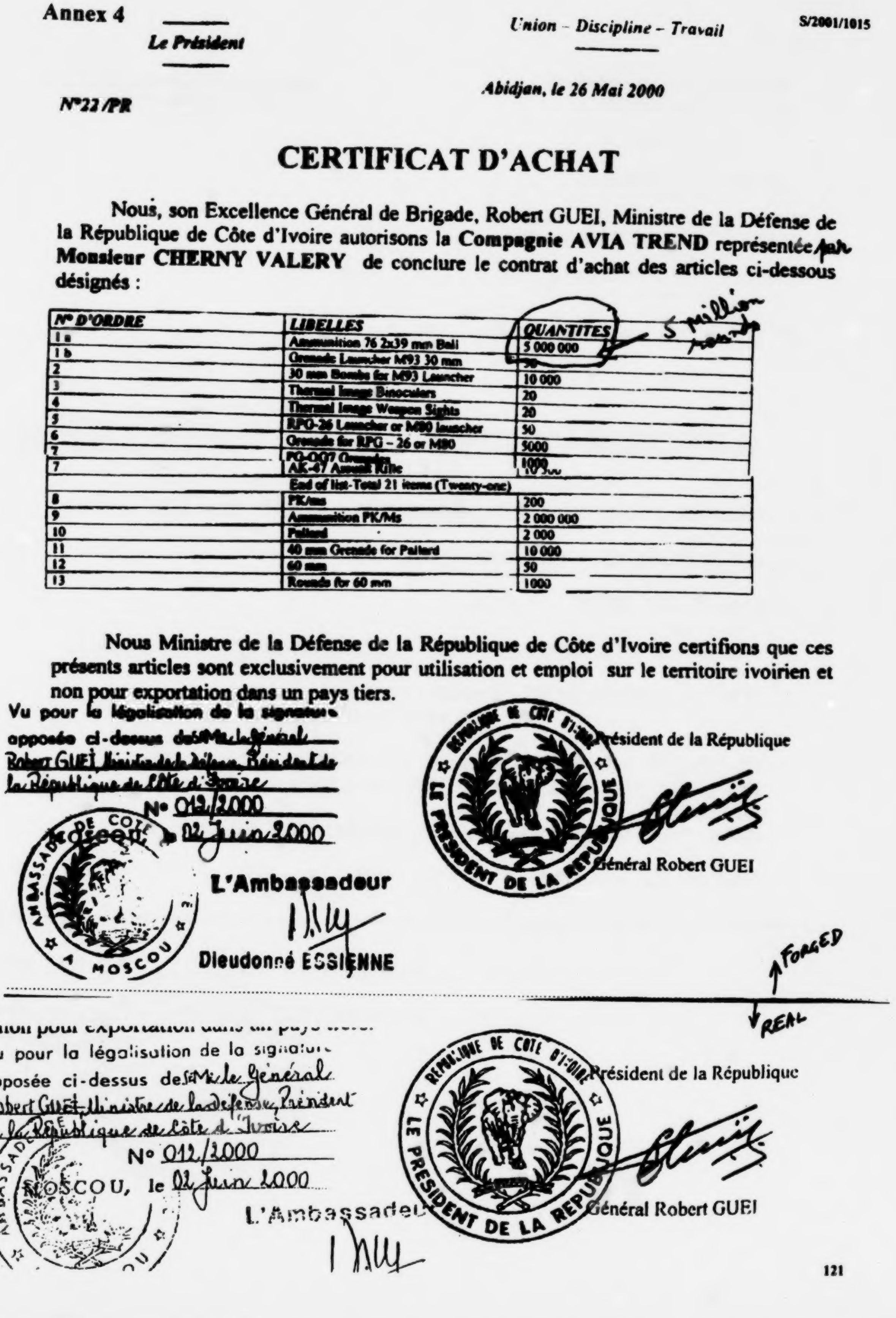
						November 2000 and Februari and March 2001
18.	Centrafrican Airlines/West Africa Air Services (Liberia)/Trans African Airline (Burkina Faso)	3C-QQR (under the name Trans African Airline since 14 May 2001)		4648414	EL-ALM (was registered in Liberia on 23 October 2000, Documents for registration and deregistration were signed by Sanjivan Ruprah)	Registered as VIP in Liberia since 23 October 2000
19.	Joint Venture Company Avirciti (Renan & Centrafrican Airlines)	ER-ADD (Moldova)	An-12	2340403		Joint insurance Victor Bout and Andrei Grosul
20.	San Air	TL-ACR	An-12			Illegal TL-Registration/Currently on ground, no engines
21.	Centrafrican Airlines	EL-MLC	L.410			Liberian Registration. Landings in Uganda in November 2000
22.	Centrafrican Airlines (owned San Air)	3C-QQZ TransAfrican Airline, Burkina Faso, since 23 August 2001	Il-62	3052657	EL-ALZ Liberian registration	The plane was deregistered in Liberia by the new Civil Aviation Authority
23.	CET Aviation Enterprise	3C-QQM	Mi-8	9904794	The plane was not owned by a company of Victor Bout before	Registered in Equatorial Guinea since 16 January 2001
24.	San Air	3C-QQO	An-72	36572096914		Registered in Equatorial Guinea since 23 April 2001
25.	West Africa Air	3C-QQS	An-72	36572080789	EL-ALL	

	Services/owned by SinSad	(Jetline Inc. since 14 May 2001)			(deregistered in Liberia since 3 May 2001 by the new Civil Aviation Authority)	
26.	Renan/West Africa Air Services	ER-ICJ	Il-18	186009102	EL-ALY Fraudulent registraton. Never legally registered in Liberia.	Arms trafficking operations to Liberia in July, August 2000

* The prefixes show the country of registration. TL is for Central African Republic, EL is for Liberia, 3C is for Equatorial Guinea, 3D is for Swaziland, ER is for the Republic of Moldova, LZ is for Bulgaria

# The Panel has verified that this plane is now legally registered for Gambia New Millenium. It should be excluded from the grounding order.

Annex 4



Le Président

Union – Discipline – Travail

N°22 /PR

Abidjan, le 26 Mai 2000

CERTIFICAT D'ACHAT

Nous, son Excellence Général de Brigade, Robert GUEI, Ministre de la Défense de la République de Côte d'Ivoire autorisons la **Compagnie AVIA TREND** représentée par **Monsieur CHERNY VALERY** de conclure le contrat d'achat des articles ci-dessous désignés :

N° D'ORDRE	*LIBELLES*	*QUANTITES*
1 a	Ammunition 76 2x39 mm Ball	5 000 000
1 b	Grenade Launcher M93 30 mm	50
2	30 mm Bombs for M93 Launcher	10 000
3	Thermal Image Binoculars	20
4	Thermal Image Weapon Sights	20
5	RPG-26 Launcher or M80 launcher	50
6	Grenade for RPG – 26 or M80	5000
7	PG-OG7 Grenades	1000
7	AK-47 Assault Rifle	[illegible]
	End of list-Total 21 items (Twenty-one)	
8	PK/ms	200
9	Ammunition PK/Ms	2 000 000
10	Pallard	2 000
11	40 mm Grenade for Pallard	10 000
12	60 mm	50
13	Rounds for 60 mm	1000

5 million rounds

Nous Ministre de la Défense de la République de Côte d'Ivoire certifions que ces présents articles sont exclusivement pour utilisation et emploi sur le territoire ivoirien et non pour exportation dans un pays tiers.

Vu pour la légalisation de la signature
apposée ci-dessus de S.E.M. le Général
Robert GUEÏ Ministre de la Défense, Président de
la République de Côte d'Ivoire
N° 012/2000
Moscou, le 02 Juin 2000

L'Ambassadeur

Dieudonné ESSIENNE

Président de la République

Général Robert GUEI

FORGED

REAL

non pour exportation dans un pays tiers.

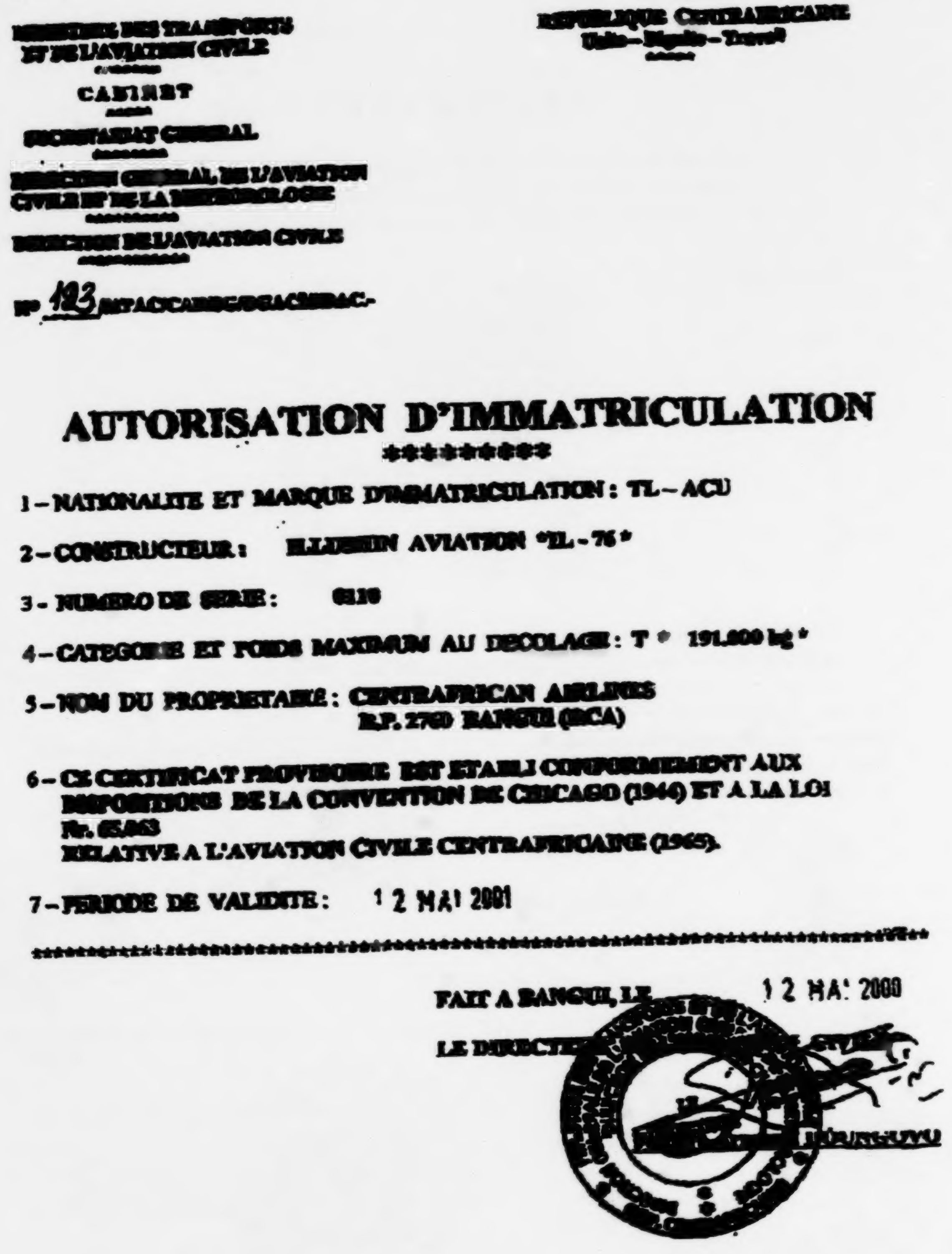
Vu pour la légalisation de la signature
apposée ci-dessus de S.E.M. le Général
Robert GUEÏ, Ministre de la défense, Président
de la République de Côte d'Ivoire
N° 012/2000
MOSCOU, le 02 Juin 2000

L'Ambassadeur

Président de la République

Général Robert GUEI

Annex 5



MINISTERE DES TRANSPORTS
ET DE L'AVIATION CIVILE

CABINET

SECRETARIAT GENERAL

DIRECTION GENERAL DE L'AVIATION
CIVILE ET DE LA METEOROLOGIE

DIRECTION DE L'AVIATION CIVILE

N° 193 /MTAC/CAB/SG/DGACM/DAC.-

REPUBLIQUE CENTRAFRICAINE
Unité – Dignité – Travail

AUTORISATION D'IMMATRICULATION

****

1 – NATIONALITE ET MARQUE D'IMMATRICULATION : TL – ACU

2 – CONSTRUCTEUR : ILLUSHIN AVIATION "IL - 76"

3 - NUMERO DE SERIE : [illegible]

4 – CATEGORIE ET POIDS MAXIMUM AU DECOLAGE : T " 191.000 kg "

5 – NOM DU PROPRIETAIRE : CENTRAFRICAN AIRLINES
B.P. 2760 BANGUI (RCA)

6 – CE CERTIFICAT PROVISOIRE EST ETABLI CONFORMEMENT AUX DISPOSITIONS DE LA CONVENTION DE CHICAGO (1944) ET A LA LOI Nr. 65.063
RELATIVE A L'AVIATION CIVILE CENTRAFRICAINE (1965).

7 – PERIODE DE VALIDITE : 12 MAI 2001

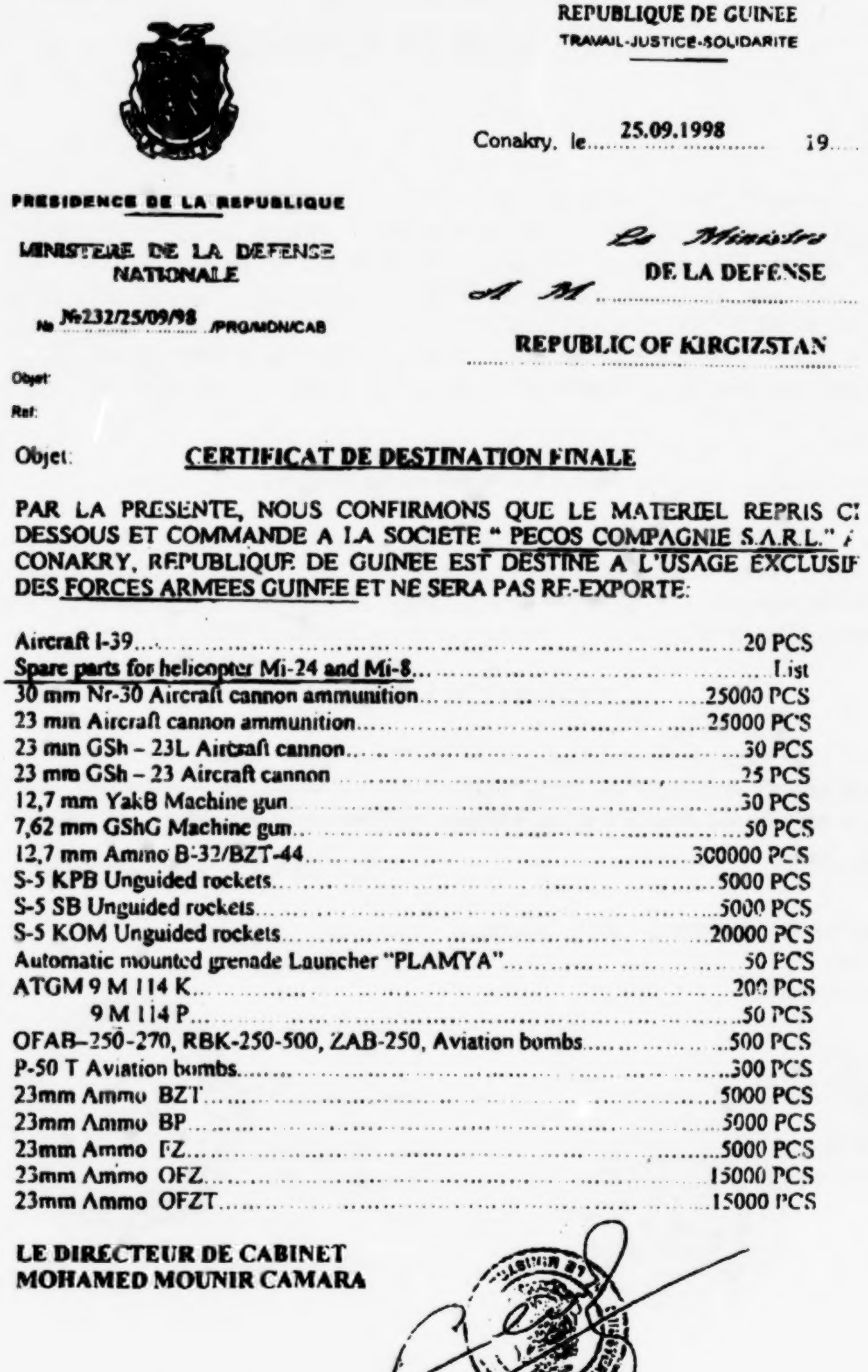
****

FAIT A BANGUI, LE 12 MAI 2000

LE DIRECT[illegible]

[illegible]

Annex 6



REPUBLIQUE DE GUINEE
TRAVAIL-JUSTICE-SOLIDARITE

Conakry, le 25.09.1998 19....

PRESIDENCE DE LA REPUBLIQUE

MINISTERE DE LA DEFENSE NATIONALE

№ №232/25/09/98 /PRG/MDN/CAB

Le Ministre
DE LA DEFENSE
A M ....
REPUBLIC OF KIRGIZSTAN

Objet:

Ref:

Objet: **CERTIFICAT DE DESTINATION FINALE**

PAR LA PRESENTE, NOUS CONFIRMONS QUE LE MATERIEL REPRIS CI DESSOUS ET COMMANDE A LA SOCIETE " PECOS COMPAGNIE S.A.R.L." A CONAKRY, REPUBLIQUE DE GUINEE EST DESTINE A L'USAGE EXCLUSIF DES FORCES ARMEES GUINEE ET NE SERA PAS RE-EXPORTE:

Aircraft L-39	20 PCS
Spare parts for helicopter Mi-24 and Mi-8	List
30 mm Nr-30 Aircraft cannon ammunition	25000 PCS
23 mm Aircraft cannon ammunition	25000 PCS
23 mm GSh – 23L Aircraft cannon	30 PCS
23 mm GSh – 23 Aircraft cannon	25 PCS
12,7 mm YakB Machine gun	30 PCS
7,62 mm GShG Machine gun	50 PCS
12,7 mm Ammo B-32/BZT-44	300000 PCS
S-5 KPB Unguided rockets	5000 PCS
S-5 SB Unguided rockets	5000 PCS
S-5 KOM Unguided rockets	20000 PCS
Automatic mounted grenade Launcher "PLAMYA"	50 PCS
ATGM 9 M 114 K	200 PCS
9 M 114 P	50 PCS
OFAB-250-270, RBK-250-500, ZAB-250, Aviation bombs	500 PCS
P-50 T Aviation bombs	300 PCS
23mm Ammo BZT	5000 PCS
23mm Ammo BP	5000 PCS
23mm Ammo FZ	5000 PCS
23mm Ammo OFZ	15000 PCS
23mm Ammo OFZT	15000 PCS

LE DIRECTEUR DE CABINET
MOHAMED MOUNIR CAMARA

Annex 7

AGREEMENT № 20/2000
on wet leasing of Iliushin 18 aircraft

Kishinev June 6, 2000.

Aircompany RENAN hereinafter referred to as RENAN, being registered in Republic of Moldova represented by the general director Mr. A. Grocul, having its official office at Kishinev Airport, 2026 Kishinev, Republic of Moldova and acting in accordance with the Statutes from one side, and aircompany WEST AFRICA AIR SERVICES , hereinafter referred to as WEST AFRICA AIR SERVICES INC, being registered in Liberia and having its official office: P.O. Box 3620 Monrovia. 1026 LiberiaWA , and acting in accordance with the Statutus, represented by director Mr. LeRoy Urey from the other side, have agreed as follows:

1. SUBJECT of the AGREEMENT

1.1. "RENAN" shall lease to "WEST AFRICA AIR SERVICES " for operations in Liberia (hereinafter referred to as "Base of operation") and third countries one aircraft Iliushin - 18 (hereinafter referred to as "Operated aircraft") with one flight crew and technical personnel .

Aircraft Registration - ER-ICJ. Producers registry number: 186009102

2. OPERATED AIRCRAFT

2.1. The Operated Aircraft shall meet all technical and commercial requirements for that type of aircraft and have all the corresponding documents on board of the aircraft in accordance with the requirements of the Republic of Moldova The Operated Aircraft shall be

"RENAN "	" WEST AFRICA AIR SERVICES "
Republic of Moldova, 2026 Kishinau, Airport **Bank requisities**	**Monrovia, 1026 LiberiaWA** **Bank requisites:**
Andrei Grocul **General director**	**Mr. LeRoy Urey** **Director** WAAS Inc

Annex 8

CARGO AIR TRANSPORTATION CHARTER CONTRACT # 8/11/SD/2000

West Africa Air Services Inc., *(P.O.Box 5560, Monrovia, Liberia)*, hereinafter referred to as "WAAS", and Centrafricain Airlines (P.O.*Box* 2760, Bangui, C.A.R.), hereinafter referred to as "*AIRLINE*", have agreed as follows:

Article 1. GENERAL AGREEMENT AND OBLIGATIONS.

1.1. ***AIRLINE*** **grants** to operate an Aircraft for a charter flight(s) as described hereunder for the journey and service, on the terms and conditions specified in the Contract.

1.2. If the Contract foresees performance of several air transportations, all definitions used in the Contract in Singular shall be applied and construed in corresponding cases as if they had been used in Plural.

Article 2. DESCRIPTION OF AIRCRAFT, FLIGHT AND LOAD.

2.1 **Aircraft**	Type	IL-18			Registration number	EL 75920
2.2 **Payload**	Nature of cargo	Techn. Equip. Non-dangerous	Load (kg)	UP TO 14.5 T	Volume (cb.m)	100
2.3 **Route**	Number of flights	TBA	Departure airport	OMRK-ferry HUEN-loaded	Destination airport	GUCY, GLRB
2.4 **Schedule**	AS AGREED					

Article 3. SPECIAL CONDITIONS OF CARRIAGE.

3.1. The charter price is based on ACMI rate USD

3.2. Conditions of payment: advance payment before departure from OMRK as per "AIRLINE" instruction.

3.3. In case of cancellation of the Contract by "WAAS" before 2400 UTC 08.11.2000, "WAAS" undertakes to pay to "AIRLINE" 20% of the charter price (TBA US Dollars) as compensation.

3.4. All messages, letters and notifications, which could be required for the fulfillment of the Contract, must be delivered by cable or fax transmissions, express or electronic mail.

3.5. *Additional conditions*: "WAAS" has to pay all flight related expenses (fuel, airport, handling, navigation charges, crew HOTAC, catering etc.)

Article 4. APPLICABLE LAWS.

4.1. The cargo is carried under the *General Conditions of Carriage* provided in Art.5 hereof.

4.2. This Contract and the execution thereof shall be governed by the laws of the *United Arab Emirates* and the international airspace law.

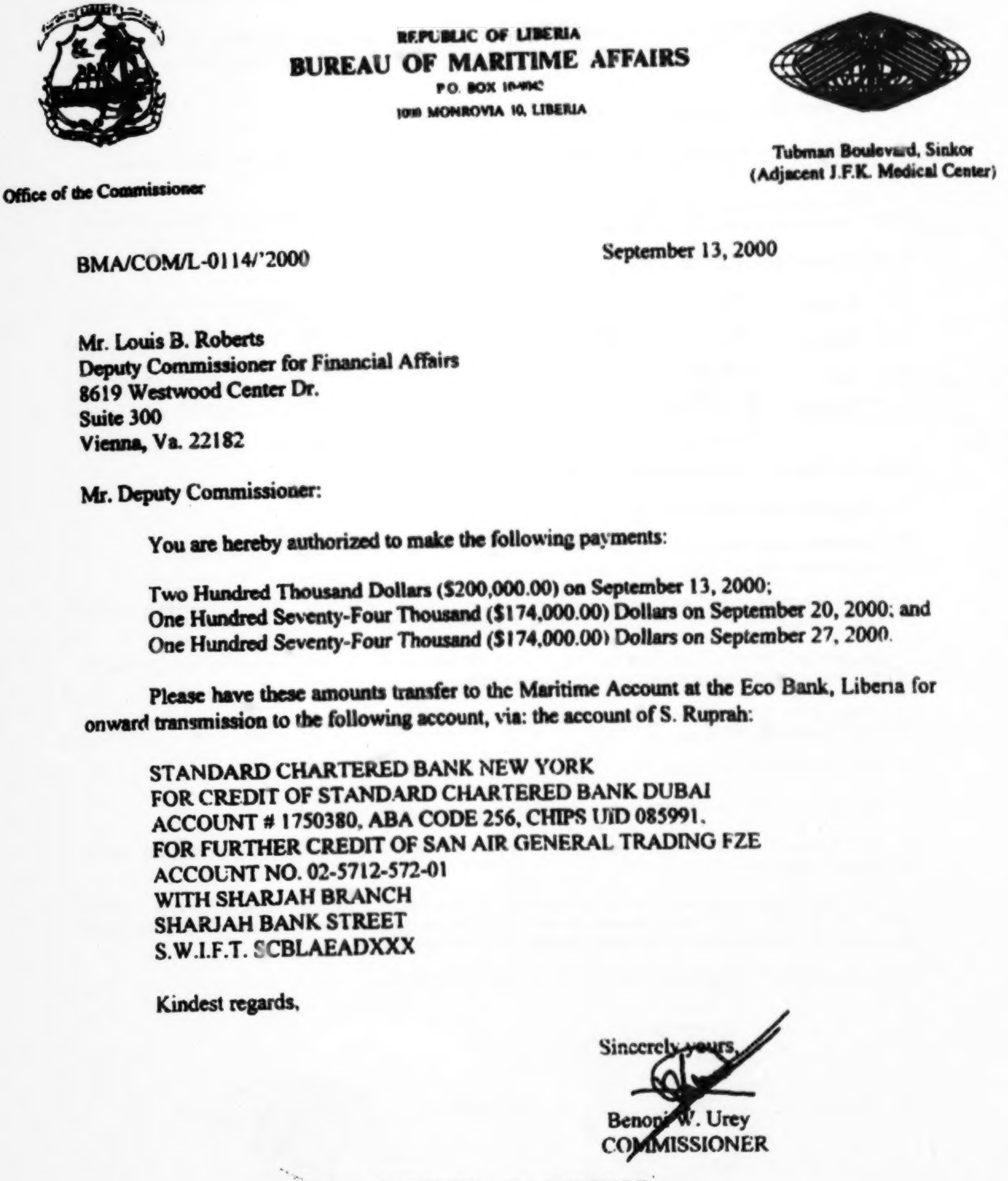
4.3. The disputes and conflicts arising out of this Contract or the execution or the performance thereof, shall be solved by personal negotiations of the Parties' representatives. If the agreement is not achieved, the actions and claims will be submitted to the competent court in the *City of Sharjah*, the United Arab Emirates.

Executed in 2 originals in English and signed on "08" November, 2000 by fax.

FOR "WAAS": WAAS Inc

FOR AIRLINE:

Annex 9



REPUBLIC OF LIBERIA
BUREAU OF MARITIME AFFAIRS
P.O. BOX 10-9042
1000 MONROVIA 10, LIBERIA

Office of the Commissioner

Tubman Boulevard, Sinkor
(Adjacent J.F.K. Medical Center)

BMA/COM/L-0114/'2000

September 13, 2000

Mr. Louis B. Roberts
Deputy Commissioner for Financial Affairs
8619 Westwood Center Dr.
Suite 300
Vienna, Va. 22182

Mr. Deputy Commissioner:

You are hereby authorized to make the following payments:

Two Hundred Thousand Dollars ($200,000.00) on September 13, 2000;
One Hundred Seventy-Four Thousand ($174,000.00) Dollars on September 20, 2000; and
One Hundred Seventy-Four Thousand ($174,000.00) Dollars on September 27, 2000.

Please have these amounts transfer to the Maritime Account at the Eco Bank, Liberia for onward transmission to the following account, via: the account of S. Ruprah:

STANDARD CHARTERED BANK NEW YORK
FOR CREDIT OF STANDARD CHARTERED BANK DUBAI
ACCOUNT # 1750380, ABA CODE 256, CHIPS UID 085991.
FOR FURTHER CREDIT OF SAN AIR GENERAL TRADING FZE
ACCOUNT NO. 02-5712-572-01
WITH SHARJAH BRANCH
SHARJAH BANK STREET
S.W.I.F.T. SCBLAEADXXX

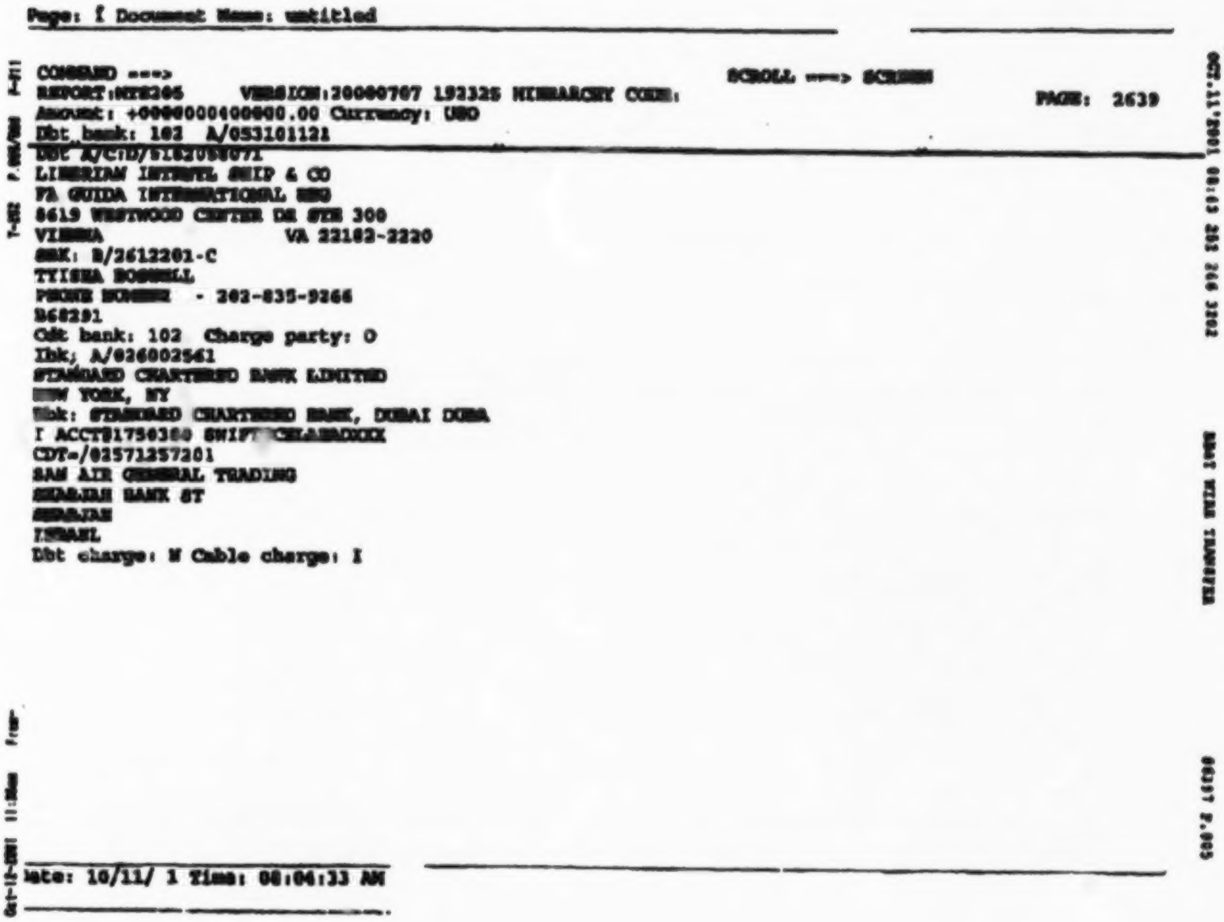
Kindest regards,

Sincerely yours,

Benoni W. Urey
COMMISSIONER

Telephone (231) 227 044 • Fax (231) 226 069

Annex 10



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Amount: +0000000400000.00 Currency: USD
Dbt bank: 102  A/053101121
DBT A/C:D/5182058071
LIBERIAN INTERNTL SHIP & CO
FA GUIDA INTERNATIONAL ENG
8619 WESTWOOD CENTER DR STE 300
VIENNA                 VA 22182-2220
SBK: B/2612201-C
TYISHA BOSWELL
PHONE NUMBER  - 202-835-9266
B68291
Cdt bank: 102  Charge party: O
Ibk; A/026002561
STANDARD CHARTERED BANK LIMITED
NEW YORK, NY
Bbk: STANDARD CHARTERED BANK, DUBAI DUBA
I ACCT01750380 SWIFT SCBLAEADXXX
CDT=/02571257201
SAN AIR GENERAL TRADING
SHARJAH BANK ST
SHARJAH
ISRAEL
Dbt charge: N Cable charge: I

Date: 10/11/ 1 Time: 08:04:33 AM
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T-282 P.005/006 F-111
Oct-11-2001 11:35am From-
OCT.11'2001 08:03 202 266 3202 BB&T WIRE TRANSFER #0317 P.005

Annex 11

HOTEL SOFITEL ABIDJAN
01 B.P 2 185 ABIDJAN 01

00 COTE D'IVOIRE

Tph: 225-221122
Fax: 225-220115

N.i.f.:

FACTURE No : 18079 DUPLICATA

N/REF: 0961 018079 016708

Date : 14.06.01

SEJOUR : KOWENHOVEN,GUS / CHB: 324
DU 13.06.2001 AU 14.06.2001

AMBASSADE LIBERIA
ABIDJAN 01

BP2185 ABIDJAN

Hôtel Sofitel Abidjan
CHEF DE RECEPTION
Tél.: 20-22-11-22/20-30-20-19
Fax : 20-21-20-26/20-21-11-96

Date	Prestation	Total TTC
130601	APPARTEMENT	84 000.00
140601	TELEPHONE	175.00
140601	TELEPHONE	700.00
140601	TELEPHONE	175.00
140601	ROOM SERVICE	5 500.00
140601	TELEPHONE	175.00
140601	TELEPHONE	2 100.00
140601	TELEPHONE	5 425.00
140601	TELEPHONE	2 800.00
140601	TELEPHONE	700.00
140601	TELEPHONE	700.00
140601	TELEPHONE	2 100.00
140601	AMERICAN EXPRESS	-104 550.00
TVA	87 124 x 20.00% = 17 425	104 549

PAGE :1

SOUS TOTAL	104 550
TOTAL TVA	17 425
SOLDE NET A PAYER	0

Paiement a reception de la facture

Annex 12

REPUBLIC OF LIBERIA
MINISTRY OF TRANSPORT
CIVIL AVIATION AUTHORITY

AIRCRAFT REGISTRY
As At July 13, 2001

							REGISTRATION STATUS			AIRWORTHINESS	
ITEM	A/C REGM	A/C TYPE	S/N	OPERATOR	OWNER	LOCATION	DATE	CATEGORY	CER. NO.	LAST INSP.	CER. NO.
1	EL-AJO	DC-8-55F	45683	Liberia World Airlines	Liberia World Airlines	Ostende Airport, Belgium	20-Mar-85	Commercial/Cargo	N/A	17-Oct-90	09/003C/9
2	EL-AJQ	DC-8-55F	45856	Liberia World Airlines	Liberia World Airlines	Ostende Airport, Belgium	10-Jul-87	Commercial/Cargo	05/28/011C/99	10-Mar-01	06/002C/8
3	EL-ZGS	B707-309-C	20261	Jet Cargo Inc.	Jet Cargo Inc	Sharjah Airport, U.A.E	26-May-88	Commercial/Cargo	290-C	24-Feb-00	290-C
4	EL-ALI	B707-323-C	18889	Transway Air Services	Transway Air Services	Sharjah Airport, U.A.E	15-Apr-99	Commercial/Cargo	04/15/010C/99	28-Nov-98	04/007C/9
5	EL-ACP	B707-369-C	29457	Air Cargo Plus Inc.	African Air Support Ltd.	Ostende Airport, Belgium	09-Dec-98	Commercial/Cargo	12/002C/98	09-Dec-98	12/004C/9
6	EL-LIB	BAC-1-11	111	Liberia Int'l Airlines, Inc.	Eagle Aviation	Ferderal Republic, Nigeria	25-Feb-97	N/A	N/A	16-Mar-00	N/A
7	EL-ALH	SC7 SKY VAN	SH 1854	Transway Air Services	Aviation Consultants, Europe	Bukaw Airport, Congo	18-Feb-00	Commercial/Cargo	DCA/004/00	27-Sep-00	N/A
8	EL-RML	Islander BN-2A-8	FSA-534	Ross Mines Ltd.	Kenneth A. Ross, Jr.	Sharjah Airport, U.A.E		Business	08/18/001/98-P	18-Jun-98	08/001B-9
9	EL-WHS	Scotta Rally 235	13019	Weiner Hug	Weiner Hug	Abidjan	22-Dec-98	Private	303-P	22-Dec-98	N/A
10	EL-GID	PA-23-250	27-7854106	Weasua Air Transport Co.	Weasua Air Transport Co	Spriggs Payne Airport, Mon.	02-Feb-98	Commercia/Cargo	08/07/005C/99	07-Sep-99	09/008C/9
11	EL-LOG	Seneca II	34-7870073	LLWPC	LLWPC	San Pedro, Cote D'Ivoire	30-May-91	Passenger	N/A	N/A	N/A
12	EL-RDK	AN-8	27-202	Air Cess	Air Cess	Sharjah Airport, U.A.E	22-Jul-97	Commercial/Cargo	329C	22-Jul-97	329C
13	EL-LAT	B707-300C	19350	Santa Cruise Imperial	Santa Cruise Imperial	N/A	23-Feb-97	Commercial/Cargo	326-C	23-Feb-97	326-C
14	EL-ALD	AN-12	1347802	Santa Cruise Imperial	Santa Cruise Imperial	Sharjah Airport, U.A.E	29-May-98	Commercial/Cargo	326-C	29-May-98	326-C
15	EL-AKI	B707-336-C	18925	Liberia World Airlines	Liberia World Airlines	South EWD, UK	12-Nov-94	Commercial/Cargo	306-C	N/A	N/A
16	EL-ALB	AN-12TB	402106	JSA Special Cargo Airlines	Flying Dolphin	Sharjah Airport, U.A.E	22-Feb-98	Commercial/Cargo	324-C	21-Feb-97	324-C
17	EL-ALA	AN-12	347305	JSA Special Cargo Airlines	Flying Dolphin	Sharjah Airport, U.A.E	22-Feb-98	Commercial/Cargo	323-C	21-Feb-97	324-C
18	EL-ALQ	AN-8	0D-3470	Santa Cruise Imperial	Santa Cruise Imperial	Sharjah Airport, U.A.E	11-Nov-97	Commercial/Cargo	472	10-Nov-98	472
19	EL-ALD	IL-18	8601	Santa Cruise Imperial	Santa Cruise Imperial	Sharjah Airport, U.A.E	01-Apr-99	Commercial/Combi	476	N/A	AW 428-C
20	EL-ADY	IL-18	4604	Santa Cruise Imperial	Santa Cruise Imperial	Sharjah Airport, U.A.E	24-May-99	Commercial/Combi	341-C	N/A	422-C
21	EL-ALW	IL-18	4904	Santa Cruise Imperial	Santa Cruise Imperial	Sharjah Airport, U.A.E	01-Apr-99	Commercial/Combi	N/A	N/A	AW 428-C
22	EL-ALJ	AN-12BK	8346202	Santa Cruise Imperial	Santa Cruise Imperial	Sharjah Airport, U.A.E	14-Feb-98	Commercial/Cargo	329-C	N/A	AW 412-C
23	EL-ARK	IL-18	8603	Santa Cruise Imperial	Santa Cruise Imperial	Sharjah Airport, U.A.E	26-Feb-98	Commercial/Cargo	475	N/A	475
24	EL-ASA	AN-12	3340909	Santa Cruise Imperial	Santa Cruise Imperial	Sharjah Airport, U.A.E	14-Dec-97	Commercial/Cargo	487	N/A	N/A
25	EL-ALT	AN-12	1805	Santa Cruise Imperial	Santa Cruise Imperial	Sharjah Airport, U.A.E	04-Aug-97	Commercial/Cargo	N/A	N/A	N/A
26	EL-AKZ	AN-8	0E-3240	Santa Cruise Imperial	Santa Cruise Imperial	Sharjah Airport, U.A.E	24-Feb-97	Commercial/Cargo	322-C	N/A	322-C
27	EL-ANZ	AN-26	13906	Santa Cruise Imperial	Santa Cruise Imperial	Sharjah Airport, U.A.E	10-Jun-97	Commercial/Cargo	489	N/A	N/A
28	EL-AHO	AN-28	8610	Santa Cruise Imperial	Santa Cruise Imperial	Sharjah Airport, U.A.E	14-Apr-98	Transport	477	N/A	N/A
29	EL-AKY	AN-8	OG-3410	Santa Cruise Imperial	Santa Cruise Imperial	Sharjah Airport, U.A.E	22-Jun-97	Commercial	321	21-Jun-98	321C
30	EL-ALC	AN-26	7104	Santa Cruise Imperial	Santa Cruise Imperial	Sharjah Airport, U.A.E	01-Apr-99	Commercial/Cargo	N/A	01-Apr-00	AW 418-C
31	EL-ALE	AN-12	8345510	Santa Cruise Imperial	Santa Cruise Imperial	Sharjah Airport, U.A.E	01-Apr-99	Commercial/Cargo	327-C	01-Apr-00	AW 410-C
32	EL-AKM	AN-12	133420	Air Cess	Air Cess	Sharjah Airport, U.A.E	23-Jun-95	Commercial/Cargo	313	23-Jun-98	N/A
33	EL-AKN	AN-12	1901706	Air Cess	Air Cess	Sharjah Airport, U.A.E	23-Jun-95	Commercial/Cargo	C-314	23-Jun-98	N/A
34	EL-AKK	B707-323-B	20177	LWA/OMEGA	Omega Air	Maston, UK	16-Dec-94	Commercial/PAX	N/A	16-Dec-95	N/A
35	EL-AKV	AN-12	1340107	Air Cess	Air Cess	Sharjah Airport, U.A.E	18-Dec-95	Commercial/Cargo	310-C	17-Dec-98	310-C
36	EL-AKW	AN-12BK	8346202	Air Cess	Air Cess	Sharjah Airport, U.A.E	18-Dec-95	Commercial/Cargo	311-C	17-Dec-98	311-C
37	EL-ALJ	B707-321-C	19375	Liberia World Airlines	Omega Air	Ostende, Belgium	31-Jul-98	Commercial/Cargo	307-C	31-Jul-97	N/A
38	EL-AKT	B707-347-C	20316	Liberia World Airlines	Omega Air	N/A	18-Aug-95	Commercial/Cargo	C-316	18-Aug-98	C-316
39	EL-AKL	B707-351-C	18922	Liberia World Airlines	Omega Air	Shanon Ireland	06-Apr-95	Commercial/Cargo	309-C	05-Apr-98	309-C

40	EL-NTM	LESS NA	180-52304	Liberia New Tribe Mission	Liberia New Tribe Mission	N/A	27-Mar-90	Business/Private	309-P	26-Mar-91	N/A
41	EL-AKU	B707-347C	19964	Occedental	Occedental	Maston, UK	07-Feb-96	Commercial	C-317	06-Feb-97	C-317
42	EL-AKO	AN-24	5730206	Air Cess	Air Cess	Sharjah Airport, U.A.E	08-Sep-95	Commercial	C-318	07-Sep-96	C-318
43	EL-AKZ	AN-8	OE-3420	Santa Cruise Imperial	Santa Cruise Imperial	Sharjah Airport, U.A.E	22-Feb-96	Commercial	N/A	22-Feb-97	N/A
44	EL-ALB	AN-12	402112	Santa Cruise Imperial	Santa Cruise Imperial	Sharjah Airport, U.A.E	24-Feb-99	Commercial/Cargo	324-C	23-Feb-00	414-C
45	EL-ALF	AN-12	8346010	Santa Cruise Imperial	Santa Cruise Imperial	Sharjah Airport, U.A.E	01-Apr-99	Commercial/Cargo	444	01-Apr-00	416
46	EL-AKS	B707-321-B	20029	Liberia World Airlines	Omega Air	N/A	09-Aug-95	Commercial/Cargo	C-315		C-315
47	EL-ALC	AN-12 BK	5342801	SCA Flying Dolphin	SCA Flying Dolphin	N/A	22-Feb-96	Commercial/Cargo	325-C	21-Feb-97	325-C
48	EL-AKP	AN-24 PT	1911803	Air Cess	Air Cess	Sharjah Airport, U.A.E	08-Sep-95	Commercial/Cargo	C-319	09-Sep-96	C-319
49	EL-RDL	AN-12	2340809	Air Cess	Air Cess	Sharjah Airport, U.A.E	22-Jul-96	Commercial/Cargo	330C	21-Jul-97	330C
50	EL-AKQ	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
51	EL-AKD	B707-023-B	18030	Liberia World Airlines	Omega Air	N/A	28-Mar-91	N/A	253B	28-Mar-92	N/A
52	EL-AKC	B707-323-B	20177	Liberia World Airlines	Liberia World Airlines	N/A	16-Nov-90	Commercial -PAX	369B	15-Nov-91	369B
53	EL-AKQ	IL-18D	187010204	Air Cess	Air Cess	N/A	14-Dec-85	Commercial/Cargo	318C	14-Dec-86	318C
54	EL-AIG	PA-32-300	32-40180	Mid Liberia Baptist Mission	Mid Liberia Baptist Mission	N/A	21-Apr-77	N/A	220	14-Dec-80	N/A
55	EL-AKE	B727-146	18877	Liberia World Airlines	Liberia World Airlines	N/A	03-Apr-91	N/A	358	02-Apr-92	N/A
56	EL-ASC	AN-12	3341208	Santa Cruise Imperial	Santa Cruise Imperial	Sharjah Airport, U.A.E	18-Sep-97	Commercial	468	17-Sep-98	N/A
57	EL-AKR	AN-12 BK	9346801	Air Cess	Air Cess	Sharjah Airport, U.A.E	18-Dec-95	Commercial/Cargo	319C	17-Dec-96	319C
58	EL-RDS	B707-302-C	19519	Air Cess	Air Cess	Sharjah Airport, U.A.E	06-Feb-96	Commercial/Cargo	320C	05-Feb-97	320C
59	EL-AKY	AN-12 BK	8346010	Flying Dolphin	Flying Dolphin	Sharjah Airport, U.A.E	22-Feb-96	Commercial/Cargo	N/A	23-Feb-97	
60	EL-AKF	B707-351-C	188922	Liberia World Airlines	Liberia World Airlines	Shannon, Ireland	05-Oct-92	Commercial/Cargo	321-C	05-Jan-93	321-C
61	EL-ALE	AN-8	IU-3480	Santa Cruise Imperial	Santa Cruise Imperial	Sharjah Airport, U.A.E	31-May-96	Commercial/Cargo	327-C	30-May-97	327-C
62	EL-AIW	Caravelle SE-210	106	Coastal Airlines	Coastal Airlines	N/A	21-Dec-81	N/A	247	21-Dec-81	N/A
63	EL-ALL	AN-72-100	365720-60769	West Africa Air Service	SINSAD Trans African Aviation Ltd.	N/A	08-Aug-00	Transport	N/A	N/A	N/A
64	EL-ALM	IL-62M	4648414	Central African Airlines	Central African Airlines	N/A	23-Oct-00	VIP Passenger	N/A	N/A	N/A
65	EL-ALX	AN-72	365720-95909	West Africa Air Service	Air Company Shar Inc.	N/A	N/A	Transport	N/A	N/A	N/A
66	EL-CAR	YAK-40	9412030	Interfly Liberia	N/A	N/A	N/A	N/A	325-C	N/A	N/A
67*	EL-RDX	IL-76	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
68	EL- RDT	IL-76T	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
69*	EL-AKO	IL-100	187010204	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
70*	EL-AKO	AN-24	5730206	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
71	EL-ALE	AN-8	143460	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
72	EL-ALD	IL-18	1347802	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
73	EL-RDX	B707-328-C	19519	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
74	EL-RDS	IL-76	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
75	EL-ANK	AN-12	1901706	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
76*	EL-RDT	IL-76T	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
77	EL-ALQ	AN-8	472	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
78*	EL-ALC	AN-26	7104	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
79	EL-WCB	AN-32	1703	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
80	EL-ALT	AN-12 BK	8346202	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
81	EL-AMJ	HS 125-3B	25125	Lone Star Airlines	Lone Star Airlines	N/A	13-Jul-00	N/A	N/A	N/A	N/A
82*	EL-9L-LBK	L-410 UVP	831125	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
83	EL- AKX	AN-2P	1G14117	Liberty Air	N/A	N/A	22-Dec-95	N/A	N/A	N/A	N/A
84	EL-JNS	B707-323C	18689	Sky Air Cargo	N/A	N/A	N/A	N/A	N/A	N/A	N/A
85	EL-AWB	DC-3	4223548	Air Cess	N/A	N/A	N/A	N/A	N/A	N/A	N/A
86	EL-AWX	DC-4	22192	Air Cess	N/A	N/A	N/A	N/A	N/A	N/A	N/A
87	EL-ALG	B707-369-C	20547	Shuttle Air Cargo	N/A	N/A	N/A	N/A	N/A	N/A	N/A
88	EL-AJB	B707-351C	19210	Shuttle Air Cargo	N/A	N/A	N/A	N/A	N/A	N/A	N/A
89	EL-AFY	HS-748	R3/748MF/179/101	Anelinda	N/A	N/A	N/A	N/A	N/A	N/A	N/A
90	EL-AIF	HS-748	1585	Anelinda	N/A	N/A	N/A	N/A	N/A	N/A	N/A
91	EL-WTZ	B707-328C	19292	Merlin Air Trade	N/A	N/A	N/A	N/A	N/A	N/A	N/A
92	EL-WCP	HS-748	R3/748MF/193688	Cargo Express Congo	N/A	N/A	N/A	N/A	N/A	N/A	N/A
93	EL-WAQ	ANTV 26	6210	East West	N/A	N/A	N/A	N/A	N/A	N/A	N/A

94	EL-WAC	ANTV 24	5730208	East West	N/A	N/A	N/A	N/A	N/A	N/A	N/A
95	EL-WTA	IL-76TD	1033415504	New Air Lease	N/A	N/A	N/A	N/A	N/A	N/A	N/A
96	EL-WLS	DC-4	10644	Cargo Express Congo	N/A	N/A	N/A	N/A	N/A	N/A	N/A
97	EL-WLL	CL-44D	25	Trans Lloyd Cargo 355-C	N/A	N/A	N/A	N/A	N/A	N/A	N/A
98	EL-WNA	Caravelle	240	Eureka 356-C	N/A	N/A	N/A	N/A	N/A	N/A	N/A
99	EL-VDD	HS748	R3/748MF/174618	Eureka 357-C	N/A	N/A	N/A	N/A	N/A	N/A	N/A
100	EL-WVD	DC-8-55FH	45885	Cougar Air 359-C w/off	N/A	N/A	N/A	N/A	N/A	N/A	N/A
101	EL-WVA	AN-8	OG3440	AIR CESS INC. 360-C	N/A	N/A	N/A	N/A	N/A	N/A	N/A
102	EL-WHL	ANT-8	OG3450	S. Gateway Corp. 361-C	N/A	N/A	N/A	N/A	N/A	N/A	N/A
103	EL-GPX	B-727	19129	Glider Limited 362-C	N/A	N/A	N/A	N/A	N/A	N/A	N/A
104	EL-GPZ	LET 410 UVP	871828	Dorgale Inv. Pty 363-C	N/A	N/A	N/A	N/A	N/A	N/A	N/A
105	EL-AMC	CL-44	37	T.L.C	N/A	N/A	N/A	N/A	N/A	N/A	N/A
106	EL-WXA	Britannia	13508	Transglobal	N/A	N/A	N/A	N/A	N/A	N/A	N/A
107	EL-WWS	Lockheed	1050	Amerer	N/A	N/A	N/A	N/A	N/A	N/A	N/A
108	EL-WAM	B-707	19335	Transglobal	N/A	N/A	N/A	N/A	N/A	N/A	N/A
109	EL-KRU	DC-8	45821	Transglobal	N/A	N/A	N/A	N/A	N/A	N/A	N/A
110	EL-WBB	DC-4	1009	Transglobal	N/A	N/A	N/A	N/A	N/A	N/A	N/A
111	EL-WIL	DC-6	44845	Transglobal	N/A	N/A	N/A	N/A	N/A	N/A	N/A
112	EL-AWY	Caravelle	264	Eureka	N/A	N/A	N/A	N/A	N/A	N/A	N/A
113	EL-WNH	DC-6	43127	SOTACO	N/A	N/A	N/A	N/A	N/A	N/A	N/A
114	EL-LBL	L-410 UVP	841201	N/A	N/A	N/A	N/A	Air Transport	N/A	JULY 22,1997	N/A
115	EL-ELS	HS 125-3B	25125	Lone Star Airlines	Lone Star Airlines	N/A	13-Jul-00	N/A	N/A	N/A	N/A
116	EL-AJT	B707-3448	18891	N/A	N/A	N/A	N/A	N/A	N/A	OCT 23 1990	N/A
117	EL-GIA	C-206F	U 206-03031	GIBACOL Air services	GIBACOL Air services	Hasting Airport	Feb 16, 1988	Private	287-P	Feb 15, 1988	300-P